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May 12, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)



Company name: HANWA CO., LTD.

Listing: Tokyo Stock Exchange

Securities code: 8078

URL: <https://www.hanwa.co.jp>

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Scheduled date of annual general meeting of shareholders: June 26, 2026

Scheduled date to commence dividend payments: June 29, 2026

Scheduled date to file annual securities report: June 19, 2026

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 fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	2,662,669	4.2	58,444	(5.0)	52,262	(12.5)	38,265	(15.9)
March 31, 2025	2,554,514	5.0	61,532	23.8	59,746	23.8	45,482	18.4

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥ 62,153 million [44.5%]
For the fiscal year ended March 31, 2025: ¥ 43,027 million [(20.6)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	193.13	-	9.4	4.4	2.2
March 31, 2025	225.13	-	12.4	5.1	2.4

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2026: ¥ (1,672) million

For the fiscal year ended March 31, 2025: ¥ 2,604 million

(Note) On April 1, 2026, HANWA CO., LTD. conducted a five-for-one share split of its common stock. “Basic earnings per share” is calculated as if the share split had occurred at the beginning of fiscal year ended March 31, 2025.

(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
March 31, 2026	1,212,662	432,951	35.3	2,197.63
March 31, 2025	1,165,805	389,470	32.9	1,897.13

Reference: Equity

As of March 31, 2026: ¥ 427,480 million

As of March 31, 2025: ¥ 383,056 million

(Note) On April 1, 2026, HANWA CO., LTD. conducted a five-for-one share split of its common stock. “Net assets per share” is calculated as if the share split had occurred at the beginning of fiscal year ended March 31, 2025.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	74,331	(10,840)	(47,638)	85,505
March 31, 2025	10,131	(21,837)	293	65,263

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	105.00	-	120.00	225.00	9,086	20.0	2.5
Fiscal year ended March 31, 2026	-	125.00	-	165.00	290.00	11,381	30.0	2.8
Fiscal year ending March 31, 2027 (Forecast)	-	33.00	-	33.00	66.00		32.1	

For details, please refer to the news release titled "Notice Concerning Dividends of Surplus (Increased)" announced today (May 12, 2026).

(Note) On April 1, 2026, HANWA CO., LTD. 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.

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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	3,000,000	12.7	62,500	6.9	57,000	9.1	40,000	4.5	205.64

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes
 Newly included: 4 companies(HANWA EUROPE B.V. and 3 other companies)
 Excluded: 0 companies()

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2026	211,663,200 shares
As of March 31, 2025	211,663,200 shares

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

As of March 31, 2026	17,144,520 shares
As of March 31, 2025	9,749,520 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended March 31, 2026	198,131,872 shares
Fiscal Year ended March 31, 2025	202,023,974 shares

(Note) On April 1, 2026, HANWA CO., LTD. conducted a five-for-one share split of its common stock. "Number of issued shares" is calculated as if the share split had occurred at the beginning of fiscal year ended March 31, 2025.

[Reference] Overview of non-consolidated financial results**1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)****(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2026	1,928,155	1.5	38,758	(7.6)	38,286	(10.4)	30,475	(13.3)
March 31, 2025	1,898,922	3.5	41,960	6.7	42,708	16.9	35,138	35.1

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2026	153.82	-
March 31, 2025	173.93	-

(Note) On April 1, 2026, HANWA CO., LTD. conducted a five-for-one share split of its common stock. “Basic earnings per share” is calculated as if the share split had occurred at the beginning of fiscal year ended March 31, 2025.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2026	1,003,285	301,768	30.1	1,551.36
March 31, 2025	969,581	284,719	29.4	1,410.10

Reference: Equity

As of March 31, 2026: ¥ 301,768 million

As of March 31, 2025: ¥ 284,719 million

(Note) On April 1, 2026, HANWA CO., LTD. conducted a five-for-one share split of its common stock. “Net assets per share” is calculated as if the share split had occurred at the beginning of fiscal year ended March 31, 2025.

* Financial results reports are exempt from audit 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 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, personal consumption slowed as employment conditions remained weak, while tariff hikes and heightened tensions in the Middle East also affected economic activity. In Europe, although U.S. tariff policies and other factors weighed on the economy, particularly in the manufacturing sector, the economy was supported by increased fiscal spending and an improvement in personal consumption. In China, although there were some signs of recovery backed by economic stimulus measures, a sluggish real estate market continued to constrain the pace of economic recovery. Among other emerging economies, growth remained relatively firm, particularly in Southeast Asia, although U.S. tariff policies and other factors weighed on growth in some regions.

In the Japanese economy, personal consumption remained resilient, mainly supported by rising wage. In addition, heightened tensions in the Middle East and developments in the new cabinet's policy agenda affected the Japanese economy through movements in foreign exchange rates, stock prices, and market interest rates.

(Overview of operating results)

In this business environment, during the consolidated fiscal year, net sales increased by 4.2% 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 5.0% YoY, to 58.4 billion yen, mainly due to the deterioration in the profitability of the Metal Recycling business and increased personnel expenses. Ordinary profit decreased by 12.5% YoY, to 52.2 billion yen and net profit attributable to owners of the parent decreased by 15.9% YoY, to 38.2 billion yen.

(Segment information)

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.

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. Net sales of this segment decreased by 7.2% YoY, to 1,071.9 billion yen, segment profit increased by 16.7% YoY, to 38.7 billion yen.

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. Net sales of this segment increased by 32.5% YoY, to 244.1 billion yen, segment loss is 0.1 billion

yen (segment profit of 6.0 billion yen was recorded in the previous consolidated fiscal year).

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. Net sales of this segment increased by 25.3% YoY, to 284.2 billion yen, segment profit decreased by 58.0 YoY, to 1.3 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 7.2% YoY, to 150.5 billion yen, segment profit increased by 31.9% YoY, to 3.0 billion yen.

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. Net sales of this segment decreased by 2.0% YoY, to 383.7 billion yen, segment profit decreased by 18.1% YoY, to 8.5 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 17.3% YoY, to 517.7 billion yen, segment profit decreased by 33.0% YoY, to 5.5 billion yen.

Other

In housing materials section, net sales increased due to expanded transactions with housing manufacturers. On the other hand, section profit decreased due to the deterioration in the profitability of European lumber. In machinery section, net sales increased due to an increase in completed projects in the industrial machinery field compared with the previous consolidated fiscal year. On the other hand, section profit decreased as a result of deteriorated profitability at domestic subsidiaries. Net sales of this segment increased by 0.1% YoY, to 133.9 billion yen, segment profit decreased by 11.2% YoY, to 2.1 billion yen.

(2) Overview of Financial Position

Total assets increased by 4.0% to 1,212.6 billion yen from the end of the previous fiscal year, mainly due to the increase in investment securities and cash and deposits.

Liabilities increased by 0.4% to 779.7 billion yen 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 6.6% to 357.0 billion yen, net debt-equity ratio was turned into 63% (*54%).

Total net assets increased by 11.2% to 432.9 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 35.3% (*37.3%), from 32.9% (*35.0%) at the end of the previous fiscal year.

※Reflecting equity credit attributes of the subordinated loan

(3) Summary of Cash Flows

During the consolidated fiscal year, cash flows from operating activities increased by 74.3 billion yen, mainly due to the decrease in trade receivables and contract assets, and the increase in trade payables. On the other hand, cash flows from investing activities decreased by 10.8 billion yen, due to payments for the acquisition of investment securities and short-term loans receivable. Cash flows from financing activities decreased by 47.6 billion yen, mainly due to repayments of bonds and short - term borrowings.

As a result, cash and cash equivalents at the end of the consolidated fiscal year increased by 20.2 billion yen from the end of the previous fiscal year to 85.5 billion yen.

(4) Future Outlook

Regarding the future outlook, the economic environment is expected to remain uncertain due to factors including uncertainties in U.S. trade policy and diplomacy, geopolitical risks centered on the Middle East and Ukraine, trends in the Chinese economy, and monetary policies in Japan and other countries.

Amid such increasingly uncertain business conditions, the Group will strive to maintain and improve its performance by accurately capturing demand trends in each business field, implementing appropriate sales and inventory policies that reflect customer needs, and proactively developing new business partners both domestically and overseas.

For the consolidated earnings forecast, the Company expects net sales of 3.0 trillion yen (up 12.7% YoY), operating profit of 62.5 billion yen (up 6.9% YoY), ordinary profit of 57.0 billion yen (up 9.1% YoY), and profit attributable to owners of parent of 40.0 billion yen (up 4.5% YoY).

Furthermore, in May 2026, the Group formulated its three-year “Medium-Term Business Plan 2028,” covering the period from fiscal year 2026 through fiscal year 2028 (for details of the plan, please refer to the “Notice concerning New Medium-Term Business Plan (FY2026–FY2028)” announced on May 12, 2026).

An overview of the Medium-Term Business Plan is as follows:

<Theme>

[Go Beyond]

<Quantitative Targets>

Final fiscal year: Fiscal year ending March 31, 2029

Capital Efficiency (Final Year)	Ordinary profit (Final Year)	Investment and lending Capacity (Cumulative)
ROE of 12.0% or higher	75.0 billion yen	160.0 billion yen
Shareholder Returns	Global Steel Transaction Volume (Final Year)	Financial Soundness
DOE minimum of 3.5% and target total shareholder return ratio of approximately 40%	17.0 million tons/year	Net DER of approximately 1.0x

- Notes:
1. ROE (Return on Equity) = Profit attributable to owners of the parent ÷ Average shareholders' equity at the beginning and end of the fiscal year
 2. DOE (Dividend on Equity) = Total dividends ÷ Shareholders' equity at the beginning of the fiscal year

Building on the strengthened financial base and risk management framework established under the “Medium-Term Business Plan 2025,” the Group will, under the Medium-Term Business Plan 2028, steadily implement (i) a shift toward proactive business investments that enable discontinuous growth, (ii) the strengthening of human capital as the driving force for executing business strategies, and (iii) the further refinement and restructuring of the business portfolio, while promoting the optimal global allocation of businesses and human resources. The Group will continue to aim to become a “supply chain creation company” that supports a sustainable society, and will strive to enhance its corporate value.

(5) Basic Policy on Earnings Distribution and Dividend for FY2025 and FY2026

The Company regards the continuous return of profits to shareholders as one of its most important management policies. While placing the highest priority on maintaining stable dividends, the Company will strive to enhance corporate value on a sustainable basis and aims to increase dividend amounts over the medium to long term.

Retained earnings will be utilized to strengthen the management base and to actively invest in growth and new businesses, thereby promoting further development of the Group.

During the period of the “Medium-Term Business Plan 2025,” the Company has adopted a dividend on equity ratio (DOE), which indicates a dividend level based on shareholders' equity, with the aim of achieving stable and progressive dividends that are less susceptible to fluctuations in single-year earnings. The Company has set a lower limit of 2.5% DOE based on consolidated shareholders' equity at the beginning of each fiscal year.

Based on the above policy, the year-end dividend for the current fiscal year will be 165 yen per share, an increase of 40 yen from the most recent dividend forecast, taking into account the overall financial position. As a result, combined with the interim dividend of 125 yen per share already paid, the annual dividend is expected to be 290 yen per share.

Furthermore, as announced in the “Medium-Term Business Plan 2028” on May 12, 2026, the Company has raised the lower limit of DOE from 2.5% to 3.5% and newly set a total payout ratio target of approximately 40%. Under these policies, the Company will enhance shareholder returns through both dividends and the acquisition of treasury shares.

Accordingly, for the next fiscal year, the Company expects to pay an annual dividend of 66 yen per share (330 yen per share before the stock split).

In addition, as announced in the “Notice regarding Acquisition of the Company's own shares and Cancellation of Treasury shares” dated May 12, 2026, the Company has resolved to execute a share repurchase program with a total amount of up to 5.0 billion yen.

2. Basic Policy on the Selection of Accounting Standards

With regard to the application of IFRS, the Company intends to continue its consideration, taking into account various domestic and international circumstances.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	65,313	85,672
Notes and accounts receivable - trade, and contract assets	415,339	404,984
Electronically recorded monetary claims - operating	92,458	90,400
Securities	-	726
Inventories	279,179	291,370
Other	53,195	57,510
Allowance for doubtful accounts	(1,781)	(1,958)
Total current assets	903,705	928,704
Non-current assets		
Property, plant and equipment		
Buildings and structures	61,950	62,311
Accumulated depreciation	(35,612)	(37,184)
Buildings and structures, net	26,338	25,127
Land	40,461	39,574
Other	63,501	66,438
Accumulated depreciation	(40,355)	(44,413)
Other, net	23,145	22,025
Total property, plant and equipment	89,945	86,727
Intangible assets	10,094	9,284
Investments and other assets		
Investment securities	116,299	145,011
Long-term loans receivable	19,888	9,524
Retirement benefit asset	3,648	8,987
Deferred tax assets	3,282	3,511
Other	21,016	22,706
Allowance for doubtful accounts	(2,074)	(1,795)
Total investments and other assets	162,060	187,946
Total non-current assets	262,100	283,958
Total assets	1,165,805	1,212,662

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	268,513	298,853
Electronically recorded obligations - operating	39,874	30,749
Short-term borrowings	81,120	68,470
Current portion of bonds payable	15,000	10,000
Income taxes payable	12,320	4,972
Provision for bonuses	5,497	4,787
Provision for product warranties	53	40
Other	39,291	49,280
Total current liabilities	461,670	467,154
Non-current liabilities		
Bonds payable	45,000	35,000
Long-term borrowings	236,520	238,405
Deferred tax liabilities	13,767	18,364
Deferred tax liabilities for land revaluation	893	591
Retirement benefit liability	1,759	2,788
Other	16,723	17,406
Total non-current liabilities	314,664	312,557
Total liabilities	776,335	779,711
Net assets		
Shareholders' equity		
Share capital	45,651	45,651
Capital surplus	1,384	1,468
Retained earnings	298,252	328,598
Treasury shares	(5,593)	(15,508)
Total shareholders' equity	339,695	360,209
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,876	38,575
Deferred gains or losses on hedges	836	(13)
Revaluation reserve for land	1,941	1,285
Foreign currency translation adjustment	17,260	21,684
Remeasurements of defined benefit plans	2,446	5,739
Total accumulated other comprehensive income	43,360	67,271
Non-controlling interests	6,414	5,470
Total net assets	389,470	432,951
Total liabilities and net assets	1,165,805	1,212,662

(2) Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	2,554,514	2,662,669
Cost of sales	2,413,907	2,521,552
Gross profit	140,607	141,116
Selling, general and administrative expenses	79,074	82,672
Operating profit	61,532	58,444
Non-operating income		
Interest income	4,078	3,696
Dividend income	3,987	2,996
Share of profit of entities accounted for using equity method	2,604	-
Other	1,705	1,995
Total non-operating income	12,375	8,687
Non-operating expenses		
Interest expenses	8,715	7,574
Share of loss of entities accounted for using equity method	-	1,672
Foreign exchange losses	2,367	3,149
Other	3,079	2,473
Total non-operating expenses	14,161	14,869
Ordinary profit	59,746	52,262
Extraordinary income		
Gain on sale of investment securities	5,203	1,396
Gain on sale of investments in capital of subsidiaries and associates	996	-
Total extraordinary income	6,199	1,396
Extraordinary losses		
Loss on sale of non-current assets	-	175
Loss on retirement of non-current assets	105	-
Loss on sale of investment securities	-	197
Loss on valuation of investment securities	351	386
Provision of allowance for doubtful accounts for subsidiaries and associates	-	116
Total extraordinary losses	457	875
Profit before income taxes	65,489	52,783
Income taxes - current	19,215	14,991
Income taxes - deferred	133	385
Total income taxes	19,349	15,376
Profit	46,140	37,406
Profit attributable to		
Profit attributable to owners of parent	45,482	38,265
Profit (loss) attributable to non-controlling interests	658	(859)

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,621)	17,463
Deferred gains or losses on hedges	206	(849)
Revaluation reserve for land	(25)	-
Foreign currency translation adjustment	1,935	3,971
Remeasurements of defined benefit plans, net of tax	35	3,343
Share of other comprehensive income of entities accounted for using equity method	1,356	818
Total other comprehensive income	(3,113)	24,747
Comprehensive income	43,027	62,153
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	41,880	62,831
Comprehensive income attributable to non-controlling interests	1,146	(677)

(3) Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities
Balance at beginning of period	45,651	1,301	260,959	(3,662)	304,249	27,511
Changes during period						
Dividends of surplus			(8,307)		(8,307)	
Change in scope of consolidation			764		764	
Change in scope of equity method			(646)		(646)	
Reversal of revaluation reserve for land			-		-	
Profit attributable to owners of parent			45,482		45,482	
Purchase of treasury shares				(2,001)	(2,001)	
Disposal of treasury shares		80		70	150	
Purchase of shares of consolidated subsidiaries		2			2	
Net changes in items other than shareholders' equity						(6,634)
Total changes during period	-	83	37,292	(1,930)	35,445	(6,634)
Balance at end of period	45,651	1,384	298,252	(5,593)	339,695	20,876

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	630	1,966	14,427	2,426	46,962	5,553	356,765
Changes during period							
Dividends of surplus							(8,307)
Change in scope of consolidation							764
Change in scope of equity method							(646)
Reversal of revaluation reserve for land							-
Profit attributable to owners of parent							45,482
Purchase of treasury shares							(2,001)
Disposal of treasury shares							150
Purchase of shares of consolidated subsidiaries							2
Net changes in items other than shareholders' equity	206	(25)	2,832	19	(3,601)	860	(2,740)
Total changes during period	206	(25)	2,832	19	(3,601)	860	32,704
Balance at end of period	836	1,941	17,260	2,446	43,360	6,414	389,470

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities
Balance at beginning of period	45,651	1,384	298,252	(5,593)	339,695	20,876
Changes during period						
Dividends of surplus			(9,807)		(9,807)	
Change in scope of consolidation			1,777		1,777	
Change in scope of equity method			(545)		(545)	
Reversal of revaluation reserve for land			655		655	
Profit attributable to owners of parent			38,265		38,265	
Purchase of treasury shares				(10,001)	(10,001)	
Disposal of treasury shares		54		86	140	
Purchase of shares of consolidated subsidiaries		29			29	
Net changes in items other than shareholders' equity						17,698
Total changes during period	-	84	30,345	(9,915)	20,514	17,698
Balance at end of period	45,651	1,468	328,598	(15,508)	360,209	38,575

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	836	1,941	17,260	2,446	43,360	6,414	389,470
Changes during period							
Dividends of surplus							(9,807)
Change in scope of consolidation							1,777
Change in scope of equity method							(545)
Reversal of revaluation reserve for land							655
Profit attributable to owners of parent							38,265
Purchase of treasury shares							(10,001)
Disposal of treasury shares							140
Purchase of shares of consolidated subsidiaries							29
Net changes in items other than shareholders' equity	(849)	(655)	4,423	3,293	23,910	(944)	22,966
Total changes during period	(849)	(655)	4,423	3,293	23,910	(944)	43,480
Balance at end of period	(13)	1,285	21,684	5,739	67,271	5,470	432,951

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	65,489	52,783
Depreciation	9,762	9,253
Amortization of goodwill	288	569
Increase (decrease) in allowance for doubtful accounts	(195)	(323)
Interest and dividend income	(8,065)	(6,692)
Interest expenses	8,715	7,574
Share of loss (profit) of entities accounted for using equity method	(2,604)	1,672
Gain on sales of investment securities	(5,203)	(1,396)
Gain on sales of investments in capital of subsidiaries and associates	(996)	-
Loss on sales of non-current assets	-	175
Loss on retirement of non-current assets	105	-
Loss on sales of investment securities	-	197
Loss on valuation of investment securities	351	386
Provision of allowance for doubtful accounts for subsidiaries and associates	-	116
Decrease (increase) in accounts receivable - trade, and contract assets	40,566	18,394
Decrease (increase) in inventories	(24,203)	(5,161)
Increase (decrease) in trade payables	(45,607)	15,641
Increase/decrease in retirement benefit asset or liability	429	521
Other, net	(18,228)	4,238
Subtotal	20,603	97,951
Interest and dividends received	8,013	6,897
Interest paid	(8,949)	(7,733)
Income taxes refund (paid)	(9,536)	(22,783)
Net cash provided by (used in) operating activities	10,131	74,331
Cash flows from investing activities		
Payments into time deposits	(3)	(129)
Proceeds from withdrawal of time deposits	13	146
Purchase of property, plant and equipment	(8,494)	(3,861)
Proceeds from sale of property, plant and equipment	64	1,825
Purchase of investment securities	(18,597)	(13,931)
Proceeds from sale and redemption of investment securities	4,708	2,318
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(5,087)	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	3,037	-
Proceeds from sale of investments in capital of subsidiaries resulting in change in scope of consolidation	705	-
Net decrease (increase) in short-term loans receivable	765	(6,417)
Long-term loan advances	(120)	(19)
Proceeds from collection of long-term loans receivable	1,647	10,746
Other, net	(477)	(1,516)
Net cash provided by (used in) investing activities	(21,837)	(10,840)

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	818	(10,784)
Proceeds from long-term borrowings	26,700	30,000
Repayments of long-term borrowings	(26,733)	(30,616)
Proceeds from issuance of bonds	9,951	-
Redemption of bonds	-	(15,000)
Purchase of treasury shares	(2,005)	(10,016)
Dividends paid	(8,291)	(9,809)
Dividends paid to non-controlling interests	(126)	(100)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(264)
Other, net	(19)	(1,046)
Net cash provided by (used in) financing activities	293	(47,638)
Effect of exchange rate change on cash and cash equivalents	(1,073)	1,587
Net increase (decrease) in cash and cash equivalents	(12,485)	17,440
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	2,801
Cash and cash equivalents at end of period	65,263	85,505

(5) Notes to Consolidated Financial Statements

(Note on going concern assumption)

None

(Segment information, etc.)

[Segment information]

1. Overview of the reportable segments

The Companies' reportable segments are determined on the basis that separate financial information for such segments is available and examined periodically by the Board of Directors, which makes decisions regarding the allocation of management resources and assesses the business performances of such segments.

The Companies' main business is buying and selling of various products with a focus on steel, and the business departments, which are divided according to products handled or service contents, mainly carry out business activities. For this reason, the Companies consist of business segments based on these departments. The 6 reportable segments are "Steel business," "Primary Metal business," "Metal Recycling business," "Food business," "Energy and Living Materials business," and "Overseas Sales Subsidiaries."

The main products and services that fall under these reportable segments are as follows. (Contents of services are shown in parentheses.)

Steel:

Steel bars and shapes, steel plates and sheets, special steels, wire products, steel pipes (steel processing and storage)

Primary Metal:

Nickel, chromium, silicon, manganese, ferroalloys, stainless steel materials, high-performance metal materials and steelmaking raw materials

Metal Recycling:

Recycling business of aluminum, copper, zinc, titanium, nickel and precious metals

Foods:

Seafood and meat products

Energy and Living Materials:

Petroleum products, industrial chemicals, chemicals, biomass and recycling fuel

Overseas Sales Subsidiaries:

(Trading of various goods and related business activities)

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.

Segment information for the fiscal year ended March 31, 2025 has been recomposed by the new classification method.

2. Method used to calculate amounts of net sales, profit (loss), assets and other items by reportable segment

The accounting treatment used for each of the reportable segments is substantially the same as the accounting treatment used in the preparation of the consolidated financial statements.

The reportable segment income figures are based on operating income together with interest and dividend income, interest expenses, foreign currency translation adjustments and share of profit (loss) of entities accounted for using the equity method. Intersegment transactions are presented based on the current market prices at the time of this report.

3. Segment information by business category for the year ended March 31, 2025 and 2026, is as follows:

Fiscal Year ended March 31, 2025

(Millions of yen)

	Reportable segments							Other business	Total	Adjustment	Consolidated
	Steel	Primary Metal	Metal Recycling	Foods	Energy & Living Materials	Overseas Sales Subsidiaries	Subtotal				
Net sales											
Customers	1,112,851	170,363	218,755	138,213	383,776	400,473	2,424,433	130,081	2,554,514	—	2,554,514
Intersegment	42,393	13,857	8,084	2,273	7,879	40,846	115,335	3,662	118,998	(118,998)	—
Total	1,155,245	184,220	226,840	140,487	391,655	441,319	2,539,768	133,744	2,673,512	(118,998)	2,554,514
Segment profit	33,155	6,084	3,098	2,306	10,425	8,253	63,324	2,402	65,726	(5,979)	59,746
Segment assets	539,444	127,129	62,987	80,527	70,371	113,100	993,560	44,009	1,037,569	128,236	1,165,805
Other items											
Depreciation	6,282	121	467	191	535	861	8,459	699	9,158	603	9,762
Amortization of goodwill	41	—	—	—	—	—	41	246	288	—	288
Interest income	616	1,038	16	32	164	1,675	3,544	29	3,573	504	4,078
Interest expenses	4,727	1,451	566	905	284	1,914	9,850	333	10,183	(1,468)	8,715
Share of profit of entities accounted for using equity method	94	1,742	75	—	79	612	2,604	—	2,604	—	2,604
Investment in entities accounted for using equity method	6,069	9,537	689	—	1,139	17,583	35,020	—	35,020	—	35,020
Increase in property, plant and equipment and intangible assets	5,502	57	1,049	90	1,047	1,139	8,888	518	9,406	279	9,686

- Notes:
1. "Other business" represents businesses such as the housing materials section and machinery section which are not included in reportable segments.
 2. Adjustments are as follows:
 - (1) Adjustments of (¥5,979) million for segment profit include intersegment elimination and Group costs that were not allocated to reportable segments. These Group costs consist mainly of expenses of administrative departments.
 - (2) Adjustments of ¥128,236 million for segment assets include Group assets that were not allocated to reportable segments. These Group assets consist mainly of cash and cash equivalents, investment securities and assets of administrative departments.
 - (3) Adjustments of ¥603 million for depreciation include mainly depreciation expenses of Group assets.
 - (4) Adjustments of ¥1,973 million for interest income and interest expenses net include intersegment elimination, income and expenses that were not allocated to reportable segments.
 - (5) Adjustments of ¥279 million for increases in property, plant and equipment and intangible assets are increases in Group assets.

Fiscal Year ended March 31, 2026

(Millions of yen)

	Reportable segments							Other business	Total	Adjustment	Consolidated
	Steel	Primary Metal	Metal Recycling	Foods	Energy & Living Materials	Overseas Sales Subsidiaries	Subtotal				
Net sales											
Customers	1,034,009	224,285	281,236	148,793	379,018	465,114	2,532,457	130,212	2,662,669	—	2,662,669
Intersegment	37,904	19,819	2,976	1,740	4,694	52,591	119,726	3,714	123,440	(123,440)	—
Total	1,071,913	244,105	284,212	150,533	383,713	517,705	2,652,183	133,926	2,786,110	(123,440)	2,662,669
Segment profit(loss)	38,707	(150)	1,302	3,041	8,541	5,528	56,970	2,132	59,103	(6,840)	52,262
Segment assets	542,029	106,569	90,194	85,975	75,604	149,364	1,049,737	46,582	1,096,319	116,342	1,212,662
Other items											
Depreciation	5,875	131	596	195	450	996	8,244	361	8,606	647	9,253
Amortization of goodwill	—	—	—	75	—	—	75	493	569	—	569
Interest income	775	984	20	3	147	1,132	3,063	41	3,105	590	3,696
Interest expenses	4,982	1,678	815	1,762	539	1,607	11,386	423	11,810	(4,236)	7,574
Share of profit (loss) of entities accounted for using equity method	2,673	(4,004)	104	—	96	(542)	(1,672)	—	(1,672)	—	(1,672)
Investment in entities accounted for using equity method	10,996	5,987	802	—	1,235	16,176	35,198	—	35,198	—	35,198
Increase in property, plant and equipment and intangible assets	4,454	168	640	199	1,603	1,123	8,190	714	8,904	812	9,717

- Notes:
1. “Other business” represents businesses such as the housing materials section and machinery section which are not included in reportable segments.
 2. Adjustments are as follows:
 - (1) Adjustments of (¥6,840) million for segment profit or loss include intersegment elimination and Group costs that were not allocated to reportable segments. These Group costs consist mainly of expenses of administrative departments.
 - (2) Adjustments of ¥116,342 million for segment assets include Group assets that were not allocated to reportable segments. These Group assets consist mainly of cash and cash equivalents, investment securities and assets of administrative departments.
 - (3) Adjustments of ¥647 million for depreciation include mainly depreciation expenses of Group assets.
 - (4) Adjustments of ¥4,827 million for interest income and interest expenses net include intersegment elimination, income and expenses that were not allocated to reportable segments.
 - (5) Adjustments of ¥812 million for increases in property, plant and equipment and intangible assets are increases in Group assets.

[Entity-wide disclosures]

Fiscal year ended March 31, 2025

1. Information about products and services

(Millions of yen)

	Steel	Metals and alloys	Non-ferrous metals	Foods	Petroleum and chemicals	Other	Total
Net sales to external customers	1,338,752	155,637	354,912	141,941	423,826	139,444	2,554,514

2. Regional information

(1) Net sales

(Millions of yen)

Japan	Asia	Others	Total
1,680,100	706,935	167,478	2,554,514

Note: Net sales are categorized by country or region based on the location of customers.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Others	Total
75,161	11,664	3,119	89,945

3. Key customer-specific information

Not applicable, as there are no external counterparties that account for 10% or more of net sales in the consolidated statements of income.

Fiscal year ended March 31, 2026

1. Information about products and services

(Millions of yen)

	Steel	Metals and alloys	Non-ferrous metals	Foods	Petroleum and chemicals	Other	Total
Net sales to external customers	1,244,812	174,936	489,213	154,070	456,722	142,914	2,662,669

2. Regional information

(1) Net sales

(Millions of yen)

Japan	Asia	Others	Total
1,655,793	820,370	186,505	2,662,669

Note: Net sales are categorized by country or region based on the location of customers.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Others	Total
72,064	11,404	3,257	86,727

3. Key customer-specific information

Not applicable, as there are no external counterparties that account for 10% or more of net sales in the consolidated statements of income.

[Information on losses on impairment of non-current assets by reportable segment]

Fiscal year ended March 31, 2025

None.

Fiscal year ended March 31, 2026

None.

[Information on amortization of goodwill and unamortized balance by reportable segment]

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segment							Other business	Adjustment	Total
	Steel	Primary Metal	Metal Recycling	Foods	Energy & Living Materials	Overseas Sales Subsidiaries	Sub total			
Balance at end of year	—	—	—	—	—	—	—	2,221	—	2,221

Note: Amount of amortization of goodwill is omitted, as similar information is disclosed in segment information.

Fiscal year ended March 31, 2026

(Millions of yen)

	Reportable segment							Other business	Adjustment	Total
	Steel	Primary Metal	Metal Recycling	Foods	Energy & Living Materials	Overseas Sales Subsidiaries	Sub total			
Balance at end of year	—	—	—	264	—	—	264	1,727	—	1,992

Note: Amount of amortization of goodwill is omitted, as similar information is disclosed in segment information.

[Information on gains on bargain purchase by reportable segment]

Fiscal year ended March 31, 2025

None.

Fiscal year ended March 31, 2026

None.

(Per share information)

	Fiscal year ended Mar. 31, 2025	Fiscal year ended Mar. 31, 2026
Net assets per share	1,897.13yen	2,197.63yen
Basic earnings per share	225.13yen	193.13yen

Notes: 1. Diluted earnings per share is not presented because there are no potential shares.

2. On April 1, 2026, HANWA CO., LTD. conducted a five-for-one share split of its common stock. “Net assets per share” and “Basic earnings per share” is calculated as if the share split had occurred at the beginning of fiscal year ended March 31, 2025.

3. The basis for calculation of the basis earning per share is as follows.

	Fiscal year ended Mar. 31, 2025	Fiscal year ended Mar. 31, 2026
Profit attributable to owners of parent (Millions of yen)	45,482	38,265
Profit not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to common stock owners of the parent (Millions of yen)	45,482	38,265
Average number of outstanding shares of common stock (Shares)	202,023,974	198,131,872

(Significant subsequent events)

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 on April 1, 2026, 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 conducted 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 9, 2026
Record date	Tuesday, March 31, 2026
Effective date	Wednesday, April 1, 2026

(4) Other

There is 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 are 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

3. Other

Year-end dividend during the consolidated fiscal year

Since this stock split took effect on April 1, 2026, the year-end dividend during the consolidated fiscal year, with a record date of March 31, 2026, will be paid on the shares before the stock split.

Acquisition of the Company's own shares and Cancellation of Treasury shares

The Board of Directors meeting held on May 12, 2026 resolved matters relating to its own shares pursuant to Article 156 of the Companies Act, as applied pursuant to Article 165 (3) of the Companies Act, and also resolved the cancellation of treasury shares pursuant to Article 178 of the Companies Act.

For details, please refer to the news release titled "Notice regarding Acquisition of the Company's own shares and Cancellation of Treasury shares" announced today (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

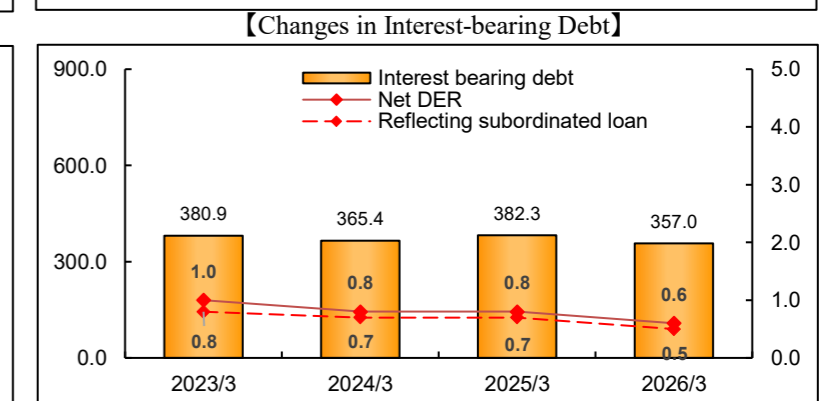
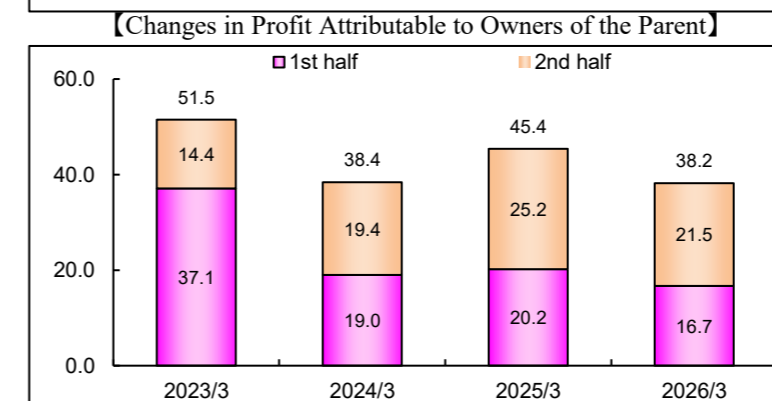
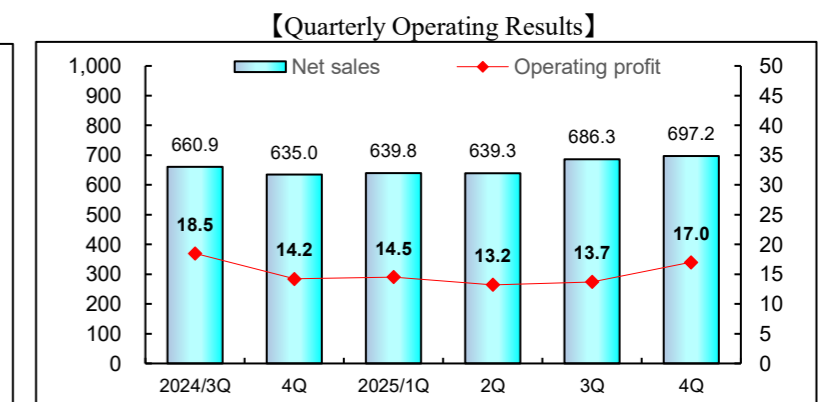
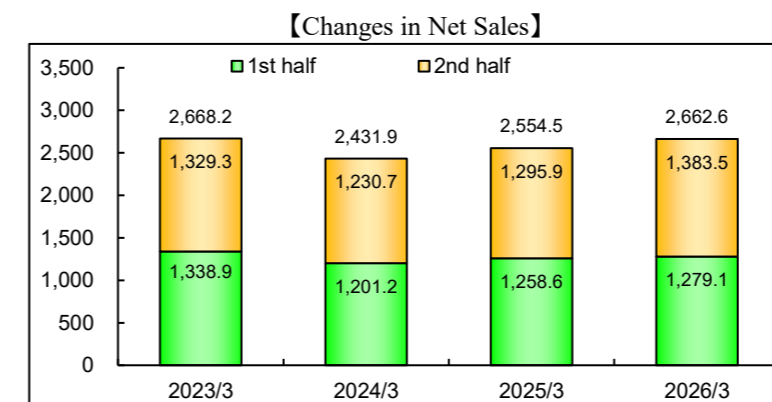
- During this consolidated fiscal year, net sales increased by 4% YoY, to 2,662.6 billion yen, because transaction volume mainly represented by Primary Metal business and Overseas Sales Subsidiaries increased. Operating profit decreased by 5% YoY, to 58.4 billion yen, mainly due to the deterioration 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		Main Factors
			Change	Rate	
Net sales	2,554.5	2,662.6	108.1	4%	(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
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%	

Financial Position	Mar. 2025	Mar. 2026	Comparison with Mar. 2025		Main Factors
			Change	Rate	
Total assets	1,165.8	1,212.6	46.8	4%	(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.
(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%	(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%).
(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%	(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
(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	—	

Cash Flow	FY2024	FY2025	YoY		Main Factors
			Change	Rate	
Cash flows from operating activities	10.1	74.3	64.2	634%	(Operating cash flows) Due mainly to the decrease in trade receivables and contract assets, and the increase in trade payables.
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%	(Financial cash flows) Due mainly to repayments of bonds and short-term borrowings.

Segment Information	Net sales			Segment profit			Main Factors
	FY2024	FY2025	Rate	FY2024	FY2025	Rate	
Steel	1,155.2	1,071.9	(7%)	33.1	38.7	17%	(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.
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%)	



Forecast (Annual)	FY2025	FY2026 (estimated)		Cash Dividends	FY2024	FY2025	FY2026 (estimated)
		change	change				
Net sales	2,662.6	3,000.0	13%	Interim (yen)	105.00	125.00	33.00
Operating income	58.4	62.5	7%	Year-end (yen)	120.00	165.00	33.00
Ordinary income	52.2	57.0	9%	Annual (yen)	225.00	290.00	66.00
Net income attributable to owners of parent	38.2	40.0	5%	DOE*	3.0%	3.4%	3.6%

*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.
 - Mar 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.

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