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August 7, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: HANWA CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 8078
URL: https://www.hanwa.co.jp
Representative: Yoichi Nakagawa President
Inquiries: Hisashi Honda Director, Senior Managing Executive Officer
Telephone: +81-3-3544-2000
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	718,573	12.3	20,572	41.0	19,016	35.6	11,488	15.1
June 30, 2025	639,865	3.5	14,591	11.1	14,024	13.5	9,980	8.3

Note: Comprehensive income For the three months ended June 30, 2026: ¥ 16,622 million [424.2%]
For the three months ended June 30, 2025: ¥ 3,170 million [(76.8) %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	59.23	-
June 30, 2025	49.58	-

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, 2026.

(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
June 30, 2026	1,236,037	441,860	35.3	2,258.41
March 31, 2026	1,212,662	432,951	35.3	2,197.63

Reference: Equity
As of June 30, 2026: ¥ 436,570 million
As of March 31, 2026: ¥ 427,480 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, 2026.

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, 2026	-	125.00	-	165.00	290.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		33.00	-	33.00	66.00

Note: 1. Revisions to the forecast of cash dividends most recently announced: None

2. 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

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: 12 companies(HKG TRADING CO., LTD. and 11 other companies)

Excluded: 0 companies( )

(2) Adoption of accounting treatment specific to the preparation of quarterly 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 June 30, 2026	211,663,200 shares
As of March 31, 2026	211,663,200 shares

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

As of June 30, 2026	18,354,520 shares
As of March 31, 2026	17,144,520 shares

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

Three months ended June 30, 2026	193,972,648 shares
Three months ended June 30, 2025	201,294,625 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, 2026.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

* 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.

Attached Material

1. Business Results

(1) Overview of Operating Results

(Business environment)

During the three months of the consolidated fiscal year, the global economy remained highly uncertain due to soaring resource prices and concerns over supply constraints, both stemming from heightened tensions in the Middle East, as well as shifts in monetary policy across major economies. In the United States, personal consumption showed signs of weakness amid continued price increases, but the economy remained resilient, supported by robust capital investment. In Europe, although economic activity slowed due to accelerating inflation driven by higher resource prices, the economy was supported by increased fiscal spending and resilient Southern European economies. In China, although exports remained strong, a sluggish real estate market and weak demand for capital investment continued to constrain the pace of economic recovery. Among other emerging economies, despite concerns over inflation due to higher crude oil prices, growth remained relatively firm against the backdrop of expanding external demand.

In the Japanese economy, a gradual recovery trend continued, supported by broader-based wage increases. Meanwhile, soaring resource prices, concerns over shortages of raw materials, and the Bank of Japan's monetary policy, among other factors, affected the Japanese economy.

(Overview of operating results)

In this business environment, during the three months of the consolidated fiscal year, net sales increased by 12.3% YoY, to 718.5 billion yen, because commodity prices such as non-ferrous metals and crude oil remained at high levels. Operating profit increased by 41.0% YoY, to 20.5 billion yen, mainly due to the improvement in the profitability of the Energy & Living Materials business and the Metal Recycling business. Ordinary profit increased by 35.6% YoY, to 19.0 billion yen and net profit attributable to owners of the parent increased by 15.1% YoY, to 11.4 billion yen.

(Segment information)

From the third quarter of the previous consolidated fiscal year, following the share transfer from the Company to a consolidated subsidiary, the segment classification of COSMO STEEL HOLDINGS PTE. 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 increased, because steel product transactions expanded and the performance of newly consolidated subsidiaries contributed. On the other hand, segment profit decreased, mainly due to a decrease in the progress of large construction projects. Net sales of this segment increased by 0.9% YoY, to 272.4 billion yen, segment profit decreased by 13.6% YoY, to 8.4 billion yen.

Primary Metal

Net sales increased, due to nickel and copper prices remaining at high levels. Also, segment loss narrowed as the share of loss of entities accounted for using the equity method from SAMANCOR CHROME HOLDINGS PROPRIETARY LTD. decreased. Net sales of this segment increased by 13.5% YoY, to 62.5 billion yen, segment loss was 0.2 billion yen (segment loss of 0.5 billion yen was recorded in the same period of the previous fiscal year).

Metal Recycling

Net sales and segment profit increased, because market prices of major products handled, such as aluminum and copper, remained at high levels and stable transaction volumes of these products were secured despite changes in the supply-demand environment. Net sales of this segment increased by 36.4% YoY, to 87.4 billion yen, segment profit was 2.6 billion yen (segment loss of 0.0 billion yen was recorded in the same period of the previous fiscal year).

Foods

Net sales increased, because sales to the food service industry remained strong. On the other hand, segment profit decreased due to the postponement of sales at some overseas subsidiaries. Net sales of this segment increased by 10.4% YoY, to 39.3 billion yen, segment profit decreased by 3.4% YoY, to 0.9 billion yen.

Energy & Living Materials

Net sales and segment profit increased, due to crude oil prices remaining at high levels and transaction volume of some chemical products remaining steady and increasing despite an unstable supply-demand environment. Net sales of this segment increased by 32.2% YoY, to 123.7 billion yen, segment profit increased by 126.7% YoY, to 5.6 billion yen.

Overseas Sales Subsidiaries

Net sales increased, due to the increase in sales volume of steel products and non-ferrous metal in Southeast Asia and the contribution from newly consolidated subsidiaries. On the other hand, segment profit decreased due to the impact of the trade environment on some subsidiaries. Net sales of this segment increased by 19.4% YoY, to 141.4 billion yen, segment profit decreased by 9.7% YoY, to 1.6 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 and section profit decreased due to a decrease in completed projects in the industrial machinery field compared with the same period of the previous fiscal year. Net sales of this segment increased by 6.3% YoY, to 33.2 billion yen, and segment profit decreased by 6.9% YoY, to 0.6 billion yen.

(2) Overview of Financial Position

Total assets increased by 1.9% to 1,236.0 billion yen from the end of the previous fiscal year, mainly due to the increase in trade receivables and land.

Liabilities increased by 1.9% to 794.1 billion yen from the end of the previous fiscal year, mainly due to the increase in commercial paper and short-term borrowings. As interest-bearing debt increased by 3.9% to 371.0 billion yen, net debt-equity ratio was turned into 64% (*55%).

Total net assets increased by 2.1% to 441.8 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 changes in foreign currency translation adjustment. Equity-to-asset ratio remained at the same level of 35.3% (*37.3%) at the end of the previous fiscal year.

*Reflecting equity credit attributes of the subordinated loan.

(3) Explanation of Consolidated Financial Future Forecast

We have not changed our consolidated future forecast announced on May 12, 2026.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	85,672	90,733
Notes and accounts receivable - trade, and contract assets	404,984	431,810
Electronically recorded monetary claims - operating	90,400	75,653
Inventories	291,370	289,541
Other	58,236	61,189
Allowance for doubtful accounts	(1,958)	(1,920)
Total current assets	928,704	947,008
Non-current assets		
Property, plant and equipment		
Land	39,574	50,363
Other, net	47,153	47,973
Total property, plant and equipment	86,727	98,337
Intangible assets	9,284	9,617
Investments and other assets		
Investment securities	145,011	141,027
Other	44,730	41,881
Allowance for doubtful accounts	(1,795)	(1,835)
Total investments and other assets	187,946	181,073
Total non-current assets	283,958	289,028
Total assets	1,212,662	1,236,037

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	298,853	285,134
Electronically recorded obligations - operating	30,749	31,568
Short-term borrowings	68,470	77,196
Commercial papers	-	15,000
Current portion of bonds payable	10,000	-
Income taxes payable	4,972	7,257
Provision for bonuses	4,787	3,636
Provision for product warranties	40	50
Other	49,280	56,718
Total current liabilities	467,154	476,563
Non-current liabilities		
Bonds payable	35,000	35,000
Long-term borrowings	238,405	238,616
Retirement benefit liability	2,788	3,450
Other	36,362	40,547
Total non-current liabilities	312,557	317,614
Total liabilities	779,711	794,177
Net assets		
Shareholders' equity		
Share capital	45,651	45,651
Capital surplus	1,468	1,129
Retained earnings	328,598	334,184
Treasury shares	(15,508)	(17,628)
Total shareholders' equity	360,209	363,336
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	38,575	38,154
Deferred gains or losses on hedges	(13)	2,807
Revaluation reserve for land	1,285	1,285
Foreign currency translation adjustment	21,684	25,453
Remeasurements of defined benefit plans	5,739	5,531
Total accumulated other comprehensive income	67,271	73,233
Non-controlling interests	5,470	5,290
Total net assets	432,951	441,860
Total liabilities and net assets	1,212,662	1,236,037

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

For the Three-Month Period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	639,865	718,573
Cost of sales	605,691	675,625
Gross profit	34,173	42,948
Selling, general and administrative expenses	19,582	22,376
Operating profit	14,591	20,572
Non-operating income		
Interest income	978	978
Dividend income	1,253	1,404
Foreign exchange gains	136	-
Other	628	653
Total non-operating income	2,996	3,035
Non-operating expenses		
Interest expenses	1,874	2,004
Share of loss of entities accounted for using equity method	1,178	837
Foreign exchange losses	-	877
Other	510	872
Total non-operating expenses	3,563	4,592
Ordinary profit	14,024	19,016
Extraordinary losses		
Loss on sale of investment securities	192	-
Loss on valuation of investment securities	-	236
Total extraordinary losses	192	236
Profit before income taxes	13,832	18,779
Income taxes	4,289	7,579
Profit	9,543	11,199
Profit attributable to		
Profit attributable to owners of parent	9,980	11,488
Loss attributable to non-controlling interests	(436)	(288)
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,174)	(611)
Deferred gains or losses on hedges	(148)	2,820
Foreign currency translation adjustment	(3,851)	1,477
Remeasurements of defined benefit plans, net of tax	29	(192)
Share of other comprehensive income of entities accounted for using equity method	(1,227)	1,929
Total other comprehensive income	(6,372)	5,423
Comprehensive income	3,170	16,622
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,891	16,823
Comprehensive income attributable to non-controlling interests	(720)	(200)

(3) Notes to Quarterly Consolidated Financial Statements

(Basis for preparation of quarterly consolidated financial statements)

The consolidated quarterly financial statements have been prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc. and accounting generally accepted in Japan for interim consolidated financial statements (however, the omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. have been applied).

(Application of particular accounting procedures for the quarterly consolidated financial statements)

Calculation of tax expenses

Income taxes are determined based on the amount of profit before income taxes for the three months ended June 30, 2026 multiplied by the effective tax rate, after application of tax-effect accounting, estimated for the entire fiscal year ending March 31, 2027. However, if using this estimated effective tax rate results in extremely unreasonable tax expenses, the statutory effective tax rate is used after adjusting net profit (loss) before income taxes for material differences that are not temporary.

(Note to segment information)

① Segment information by business category for the three months ended June 30, 2025 and 2026, is as follows:

Three Months ended June 30, 2025 (Millions of yen)

	Reportable segments							Other Business	Total	Adjust-ment	Consoli-dated
	Steel	Primary Metal	Metal Recycling	Foods	Energy& Living Materials	Overseas Sales Subsidiar-ies	Subtotal				
Net sales											
Customers	262,968	49,820	62,755	35,352	92,373	106,152	609,423	30,442	639,865	—	639,865
Intersegment	7,032	5,287	1,327	320	1,247	12,274	27,488	855	28,343	(28,343)	—
Total	270,001	55,107	64,082	35,673	93,620	118,426	636,912	31,297	668,209	(28,343)	639,865
Segment profit(loss)	9,757	(592)	(85)	984	2,471	1,844	14,380	648	15,028	(1,003)	14,024

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 ¥(1,003) 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.

Three Months ended June 30, 2026 (Millions of yen)

	Reportable segments							Other Business	Total	Adjust-ment	Consoli-dated
	Steel	Primary Metal	Metal Recycling	Foods	Energy& Living Materials	Overseas Sales Subsidiar-ies	Subtotal				
Net sales											
Customers	257,734	57,188	87,084	38,886	121,697	123,744	686,336	32,237	718,573	—	718,573
Intersegment	14,681	5,331	346	512	2,091	17,656	40,619	1,028	41,648	(41,648)	—
Total	272,416	62,519	87,431	39,398	123,788	141,400	726,955	33,266	760,222	(41,648)	718,573
Segment profit(loss)	8,429	(257)	2,618	951	5,603	1,664	19,009	603	19,612	(596)	19,016

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 ¥(596) 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.

② Matters concerning changes in reportable segments

(Changes in the classification method of reportable segments)

From the third quarter of previous consolidated financial year, following the share transfer from the Company to a consolidated subsidiary, the segment classification of COSMOSTEEL HOLDINGS PTE. 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 three months ended June 30, 2025 has been recomposed by the new classification method.

(Note to significant changes in shareholders' equity)

The Company has acquired 1,210,000 shares of treasury stock during the three months ended June 30, 2026, based on the resolution of the Board of Directors meeting held on May 12, 2026. As a result of this acquisition, the amount of treasury stocks increased by 2,119 million yen, resulting in treasury stock of 17,628 million yen as of June 30, 2026.

(Note on going concern assumption)

None

(Note to statement of cash flows)

Quarterly consolidated statements of cash flows have not been prepared for the three months ended June 30, 2026. Depreciation and amortization of goodwill for the three months ended June 30, 2025 and 2026 are as follows.

	For the three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)	For the three months ended June 30, 2026 (April 1, 2026 to June 30, 2026)
Depreciation	¥ 2,271 million	¥ 2,452 million
Amortization of goodwill	142	152

(Additional information)

Acquisition of Membership Interests in Associated Steel Group, LLC in the U.S.A.

The Company based on the authority delegated by a resolution of its Board of Directors held on June 12, 2026, the Company, by a decision of its Representative Director and President dated June 29, 2026, determined to enter into an equity purchase agreement to acquire membership interests in Associated Steel Group, LLC, a U.S. entity ("ASG"), through a joint investment with Development Bank of Japan Inc., and entered into such equity purchase agreement on the same date (Central Daylight Time).

1. Overview of the Acquisition

(1) Name of acquired company and description of business

Name of acquired company: Associated Steel Group, LLC

Description of business: Manufacturing and sales of custom-designed steel structures

(2) Reason for the Acquisition of Membership Interests

ASG is a steel structure manufacturing group centered on Alliance Steel, Inc., based in Oklahoma, and ACI Building Systems, LLC, based in Mississippi. The group provides Pre-Engineered Metal Building ("PEMB") systems for non-residential buildings, primarily in the southern United States, in which steel framing components designed and fabricated in factories are assembled on-site. ASG's key strengths include an organizational structure that enables it to respond flexibly to customers' delivery schedule requirements, as well as technological expertise and quality in the field of structural design. Through these strengths, ASG has built long-standing, trust-based relationships with its regional customers.

By making ASG a consolidated subsidiary, the Company will acquire a business foundation in the PEMB sector in the Americas. Leveraging its strengths in the distribution of construction steel materials, high value-added processing, and the provision of solutions in the design and construction fields, the Company will use ASG as a starting point to maximize synergies by strengthening downstream operations and building and reinforcing a resilient supply chain that spans the entire value chain, extending upstream to North American steel manufacturers.

(3) Date of the Acquisition of Membership Interests

After the terms of the equity purchase agreement have been satisfied, and after obtaining clearance from United States competition authorities.

(4) Number of Membership Interests to Be Acquired and Ownership Percentage Before and After the Acquisition

Percentage of membership interests held before the change	0%
Percentage of membership interests to be acquired	50.1%~100.0%
Acquisition price	$347 million
Percentage of membership interests held after the change	50.1%~100.0%

Note : Acquisition price is the aggregate base value on a 100.0% membership interest basis. The Company's final acquisition price is expected to be determined by applying various adjustments stipulated in the equity purchase agreement—such as adjustments for cash, indebtedness, and net working capital, and pro-rata adjustment based on the applicable percentage at closing—to the aggregate base value.

August 7, 2026

Highlights of Consolidated Financial Results for the Three Months ended June 30, FY2026 (Japan GAAP)

HANWA Co., Ltd.

Outline of Financial Results for the Three Months ended June 30, FY2026

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

- During the three months of this consolidated fiscal year, net sales increased by 12% YoY, to 718.5 billion yen, because commodity prices such as non-ferrous metals and crude oil remained at high levels. Operating profit increased by 41% YoY, to 20.5 billion yen, mainly due to the improvement in the profitability of the Energy & Living Materials business and the Metal Recycling business. Ordinary profit increased by 36% YoY, to 19.0 billion yen and net profit attributable to owners of the parent increased by 15% YoY, to 11.4 billion yen.
- We plan to pay 66 yen as the annual (33 yen as the interim and 33 yen as the year-end) dividend.
- On April 1, 2026, the Company conducted a five-for-one share split of its common stock. Figures for the previous fiscal year and earlier periods are presented based on the number of shares after the share split.

Operating Results	Three months ended Jun. FY2025	Three months ended Jun. FY2026	YoY Change	YoY Rate
Net sales	**639.8**	**718.5**	**78.7**	**12%**
Gross profit	**34.1**	**42.9**	**8.7**	**26%**
SG&A expenses	19.5	22.3	2.7	14%
Operating profit	**14.5**	**20.5**	**5.9**	**41%**
Non-operating income	2.9	3.0	0.0	1%
Non-operating expenses	3.5	4.5	1.0	29%
Ordinary profit	**14.0**	**19.0**	**4.9**	**36%**
Extraordinary income	—	—	—	—
Extraordinary losses	0.1	0.2	0.0	23%
Profit before income taxes	**13.8**	**18.7**	**4.9**	**36%**
Income taxes	4.2	7.5	3.2	77%
Profit	**9.5**	**11.1**	**1.6**	**17%**
Owners of the parent	9.9	11.4	1.5	15%
Non-controlling interests	(0.4)	(0.2)	0.1	—
EPS (yen)	49.58	59.23	9.65	19%
Comprehensive income	**3.1**	**16.6**	**13.4**	**424%**

Main Factors

(Net sales)
Net sales increased by 12% YoY, to 718.5 billion yen, because commodity prices such as non-ferrous metals and crude oil remained at high levels.

(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 incrased by 0.0 billion yen and non-operating expenses increased by 1.0 billion yen. The main impacts on ordinary profit were as follows.
Share of loss of entities accounted for using equity method : decreased by 0.3 billion yen YoY
Foreign exchange losses : increased of 1.0 billion yen YoY

(Extraordinary losses)
Loss on sale of investment securities : decreased by 0.1 billion yen YoY
Loss on valuation of investment securities : 0.2 billion yen

Segment Information	Net sales: Three months ended Jun. FY2025	Net sales: Three months ended Jun. FY2026	Net sales: Rate	Segment profit: Three months ended Jun. FY2025	Segment profit: Three months ended Jun. FY2026	Segment profit: Rate
Steel	270.0	272.4	1%	9.7	8.4	(14%)
Primary Metal	55.1	62.5	13%	(0.5)	(0.2)	—
Metal Recycling	64.0	87.4	36%	(0.0)	2.6	—
Foods	35.6	39.3	10%	0.9	0.9	(3%)
Energy & Living Materials	93.6	123.7	32%	2.4	5.6	127%
Overseas Sales Subsidiaries	118.4	141.4	19%	1.8	1.6	(10%)
Total for reportable segments	636.9	726.9	14%	14.3	19.0	32%
Other	31.2	33.2	6%	0.6	0.6	(7%)
Total	**668.2**	**760.2**	**14%**	**15.0**	**19.6**	**31%**
Adjustment	(28.3)	(41.6)	—	(1.0)	(0.5)	—
Consolidated	**639.8**	**718.5**	**12%**	**14.0**	**19.0**	**36%**

Main Factors

(Steel)
Net sales increased, because steel product transactions expanded and the performance of newly consolidated subsidiaries contributed. On the other hand, segment profit decreased, mainly due to a decrease in the progress of large construction projects.

(Primary Metal)
Net sales increased, due to nickel and copper prices remaining at high levels. Also, segment loss narrowed as the share of loss of entities accounted for using the equity method from SAMANCOR CHROME HOLDINGS PROPRIETARY LTD. decreased.

(Metal Recycling)
Net sales and segment profit increased, because market prices of major products handled, such as aluminum and copper, remained at high levels and stable transaction volumes of these products were secured despite changes in the supply-demand environment.

(Foods)
Net sales increased, because sales to the food service industry remained strong. On the other hand, segment profit decreased due to the postponement of sales at some overseas subsidiaries.

(Energy & Living Materials)
Net sales and segment profit increased, due to crude oil prices remaining at high levels and transaction volume of some chemical products remaining steady and increasing despite an unstable supply-demand environment.

(Overseas Sales Subsidiaries)
Net sales increased, due to the increase in sales volume of steel products and non-ferrous metal in Southeast Asia and the contribution from newly consolidated subsidiaries. On the other hand, segment profit decreased due to the impact of the trade environment on some subsidiaries.

*From the third quarter of the previous consolidated fiscal year, following the share transfer from the Company to a consolidated subsidiary, the segment classification of COSMO STEEL HOLDINGS PTE. 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

- Jun Entered into an equity transfer agreement for the acquisition of an interest in ASSOCIATED STEEL GROUP, LLC. in the United States.
  Implemented a company split in which wholly owned subsidiary HKG TRADING CO., LTD. served as the splitting company in connection with the organizational restructuring.

Financial Position	Mar. 2026	Jun. 2026	Comparison with Mar. 2026: Change	Comparison with Mar. 2026: Rate
Total assets	**1,212.6**	**1,236.0**	**23.3**	**2%**
(Current assets)	928.7	947.0	18.3	2%
(Fixed assets)	283.9	289.0	5.0	2%
Total liabilities	**779.7**	**794.1**	**14.4**	**2%**
(Interest-bearing debt)	357.0	371.0	14.0	4%
(Net interest-bearing debt)	271.4	280.3	8.9	3%
Net DER	63%/54*%	64%/55*%	—	—
Total net assets	**432.9**	**441.8**	**8.9**	**2%**
(Shareholders' equity)	360.2	363.3	3.1	1%
(Accumulated other comprehensive income)	67.2	73.2	5.9	9%
(Non-controlling interests)	5.4	5.2	(0.1)	(3%)
BPS (yen)	2,197.63	2,258.41	60.77	3%
Equity capital	427.4	436.5	9.0	2%
Equity ratio	35.3/37.3*%	35.3/37.3*%	—	—

Main Factors

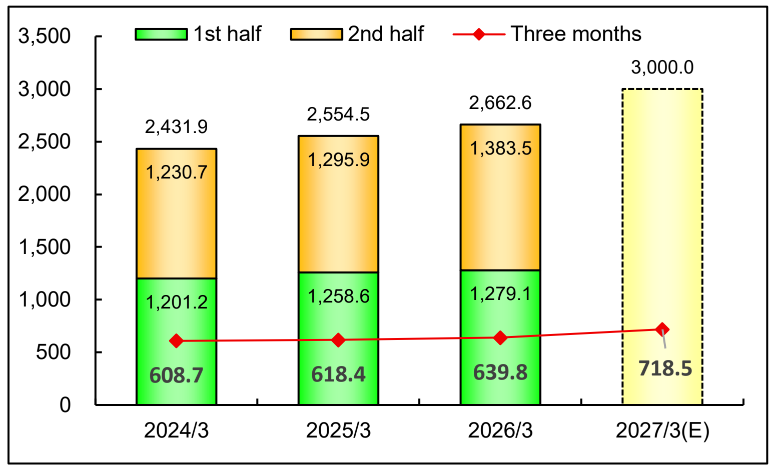
(Total Assets)
Total assets increased by 2% from the end of the previous fiscal year, mainly due to the increase in trade receivables and land.

(Liabilities)
Liabilities increased by 2% from the end of the previous fiscal year, mainly due to the increase in commercial paper and short-term borrowings. As interest-bearing debt increased by 4%, net debt-equity ratio was turned into 64% (*55%).

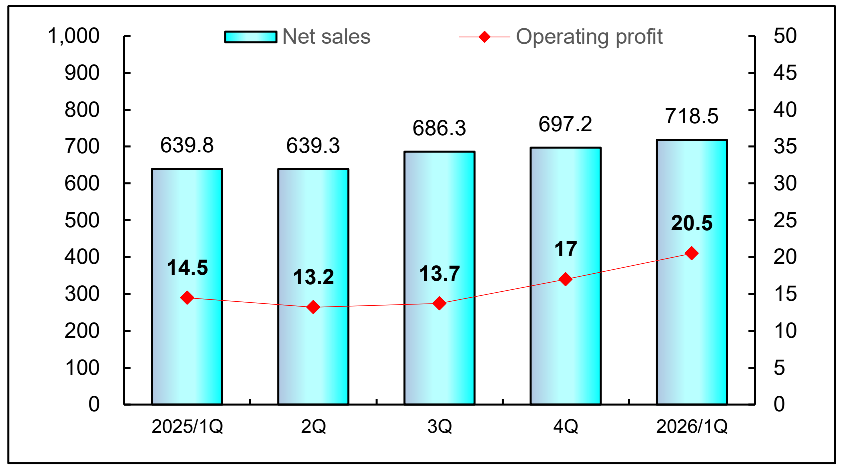
(Net assets)
Total net assets increased by 2% from the end of the previous fiscal year due to accumulation of retained earnings from net income attributable to owners of parent as well as changes in foreign currency translation adjustment. Equity-to-asset ratio remained at the same level of 35.3% (*37.3%) at the end of the previous fiscal year.

*Reflecting equity credit attributes of the subordinated loan

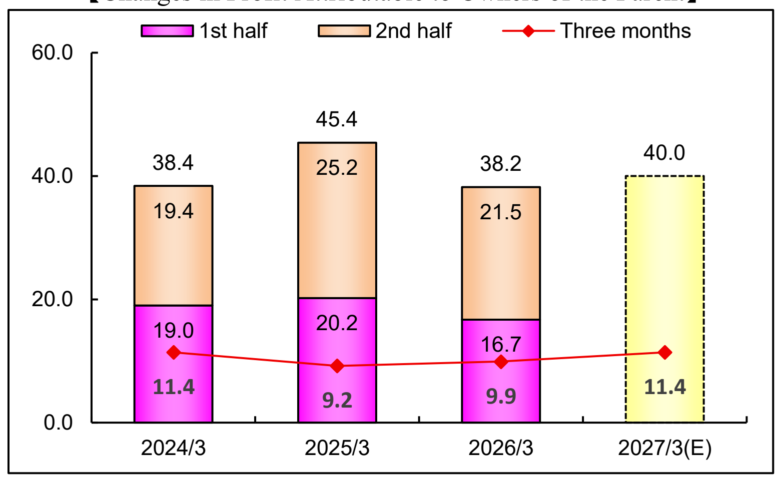
【Changes in Net Sales】



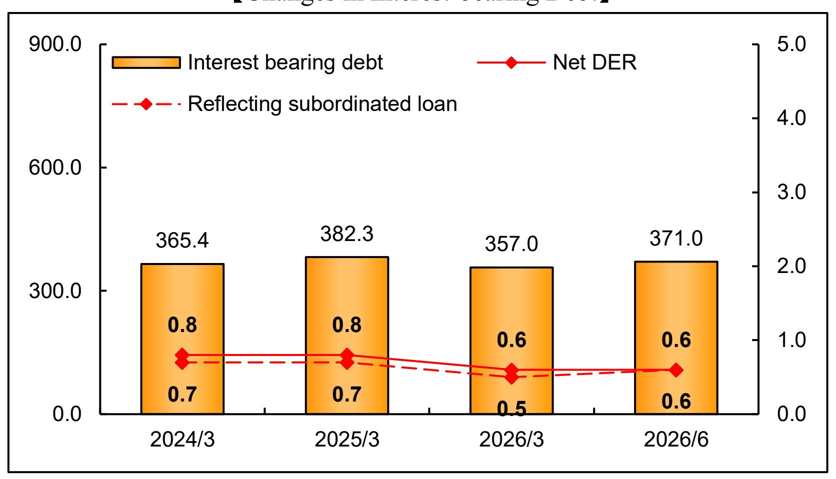
【Quarterly Operating Results】



【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 profit	58.4	62.5	7%
Ordinary profit	52.2	57.0	9%
Profit attributable to owners of the parent	38.2	40.0	5%

Cash Dividends	FY2024	FY2025	FY2026 (Estimated)
Interim (yen)	21.00	25.00	33.00
Year-end (yen)	24.00	33.00	33.00
Annual (yen)	45.00	58.00	66.00
DOE*	3.0%	3.4%	3.6%

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