

Outline of Financial Results for the First Quarter ended June 30, 2025

August 2025
HANWA CO., LTD.

- 1. Summary of FY2025 Q1 Financial Results and Progress**
- 2. Progress on Medium-Term Business Plan 2025**
- 3. Details by Business Segment**

1. Summary of FY2025 Q1 Financial Results and Progress

Summary of Consolidated Financial Results

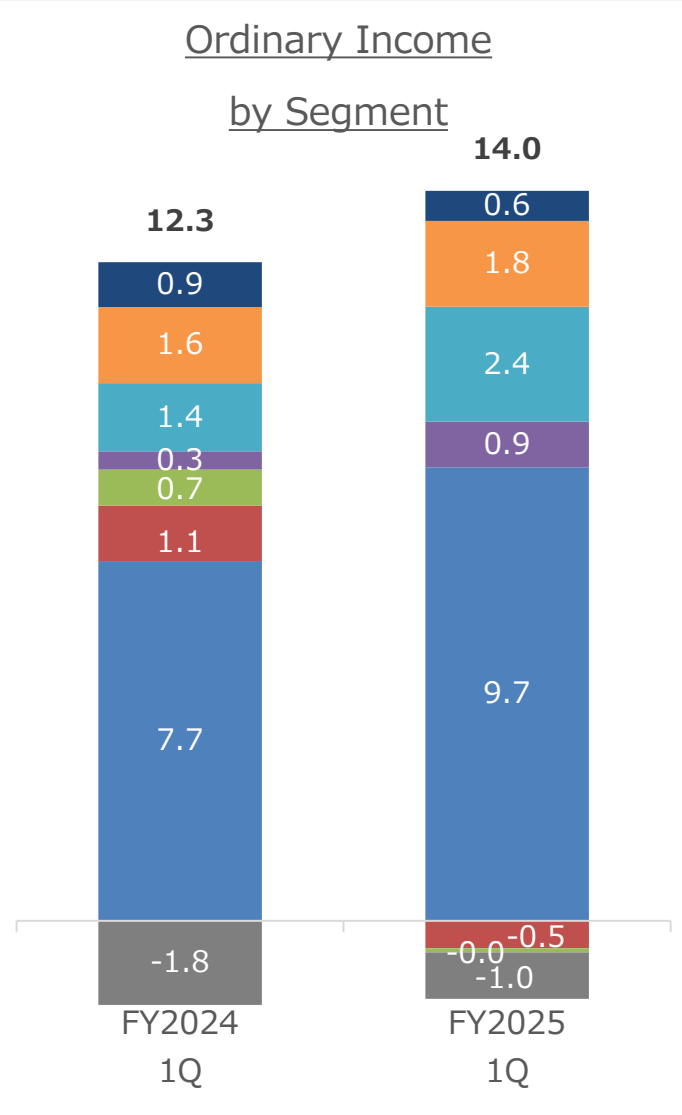
- Ordinary income for FY2025 Q1 was 14.0 bil. yen, making 25% progress toward the full-year forecast of 55 bil. yen. The full-year forecast remained unchanged.

(billions of yen)	FY2024 Q1 Results	FY2025 Q1 Results	Y on Y change (Rate)	FY2025 Forecast	Progress
Net Sales	618.4	639.8	+21.4 (+3%)	2,600	25%
Gross Profit	31.4	34.1	+2.7 (+9%)	—	—
Operating Income	13.1	14.5	+1.4 (+11%)	55	27%
Ordinary Income	12.3	14.0	+1.6 (+13%)	55	25%
Net Income Attributable to Owners of the Company	9.2	9.9	+0.7 (+8%)	40	25%
Consolidated Steel Transaction Volume (million metric tons) *1	3.22	3.58	+0.36 (+11.2%)	—	—

*1 Consolidated Trading volume is the simple sum of the weight of steel handled by the Company and its consolidated subsidiaries.

Segment Information (Consolidated)

(billions of yen)



Business Segment	FY2024 Q1	FY2025 Q1	Y on Y Change (Y on Y Rate)
Steel	7.7	9.7	+2.0 (+26%)
Primary Metal	1.1	-0.5	-1.7 -
Metal Recycling	0.7	-0.0	-0.8 -
Foods	0.3	0.9	+0.5 (+151%)
Energy & Living Materials	1.4	2.4	+1.0 (+68%)
Overseas Sales Subsidiaries	1.6	1.8	+0.2 (+13%)
Other	0.9	0.6	-0.3 (-33%)
Adjustment	-1.8	-1.0	+0.8 -
Total	12.3	14.0	+1.6 (+13%)

Main Factors
Profits increased due to steady sales of construction materials, solid performance in the domestic construction sector. Sales at some overseas subsidiaries improved.
Although the standalone results showed increased profits due to higher transaction volumes of stainless products and other items, consolidated profits declined due to equity in losses from SAMANCOR CHROME HOLDINGS PROPRIETARY LTD.
Profits decreased due to a decline in market prices of aluminum and nickel.
Sales to the food service industry in U.S. subsidiaries remained strong, and a newly consolidated subsidiary performed well.
Sales of wood pellets remained firm, and profitability improved in some subsidiaries.
There was an increase in scrap transactions in Southeast Asia and newly consolidated companies contributed to overall performance.
Housing Materials: Market prices of European lumber were lower. Machinery: There was an increase in completed projects in industrial machinery.

Segment Ordinary Income compared to Forecast

(billions of yen)

Business Segments	FY2025 Forecast			FY2025 Q1 Results	Rate against 1st Half Forecast	Rate against Full year Forecast	Main Factors
	1st Half	2nd Half	Full year				
Steel	13.5	15.5	29.0	9.7	72%	34%	Despite sluggish demand for steel products and a decline in transaction volumes—particularly for flats—the domestic construction sector performed firmly, resulting in an upward deviation from the forecast.
Primary Metal	2.0	1.5	3.5	-0.5	—	—	Equity in losses from SAMANCOR CHROME HOLDINGS PROPRIETARY LTD significantly underperformed.
Metal Recycling	1.5	2.0	3.5	-0.0	—	—	The business environment for aluminum and copper deteriorated sharply, leading to a significant decline in profitability. Additionally, a temporary valuation loss on derivatives was incurred due to rising precious metal prices, resulting in a downward deviation.
Foods	1.0	2.0	3.0	0.9	98%	33%	Market prices for our various traded commodities remained high, and strong performance by subsidiaries contributed.
Energy & Living Materials	6.0	6.0	12.0	2.4	41%	21%	Although the business environment for petroleum and chemical products changed rapidly, making it more difficult to maintain margins than forecast, overall results were broadly in line with the forecast.
Overseas Sales Subsidiaries	3.5	4.0	7.5	1.8	53%	25%	While steel market conditions continued to stagnate, particularly in Asia, increased transaction volumes in Singapore and steady performance in the metal recycling businesses in Thailand and Europe resulted in line with the forecast.
Other	1.0	1.5	2.5	0.6	65%	26%	In the housing materials business, the volume of pre-cut lumber transacted declined due to sluggish timber market conditions and a decrease in residential construction activity in Japan. On the other hand, in the machinery business, the number of completed projects increased as expected.
Adjustment	-2.5	-3.5	-6.0	-1.0	—	—	
Total	26.0	29.0	55.0	14.0	54%	25%	

Quarterly Ordinary Income by Segment

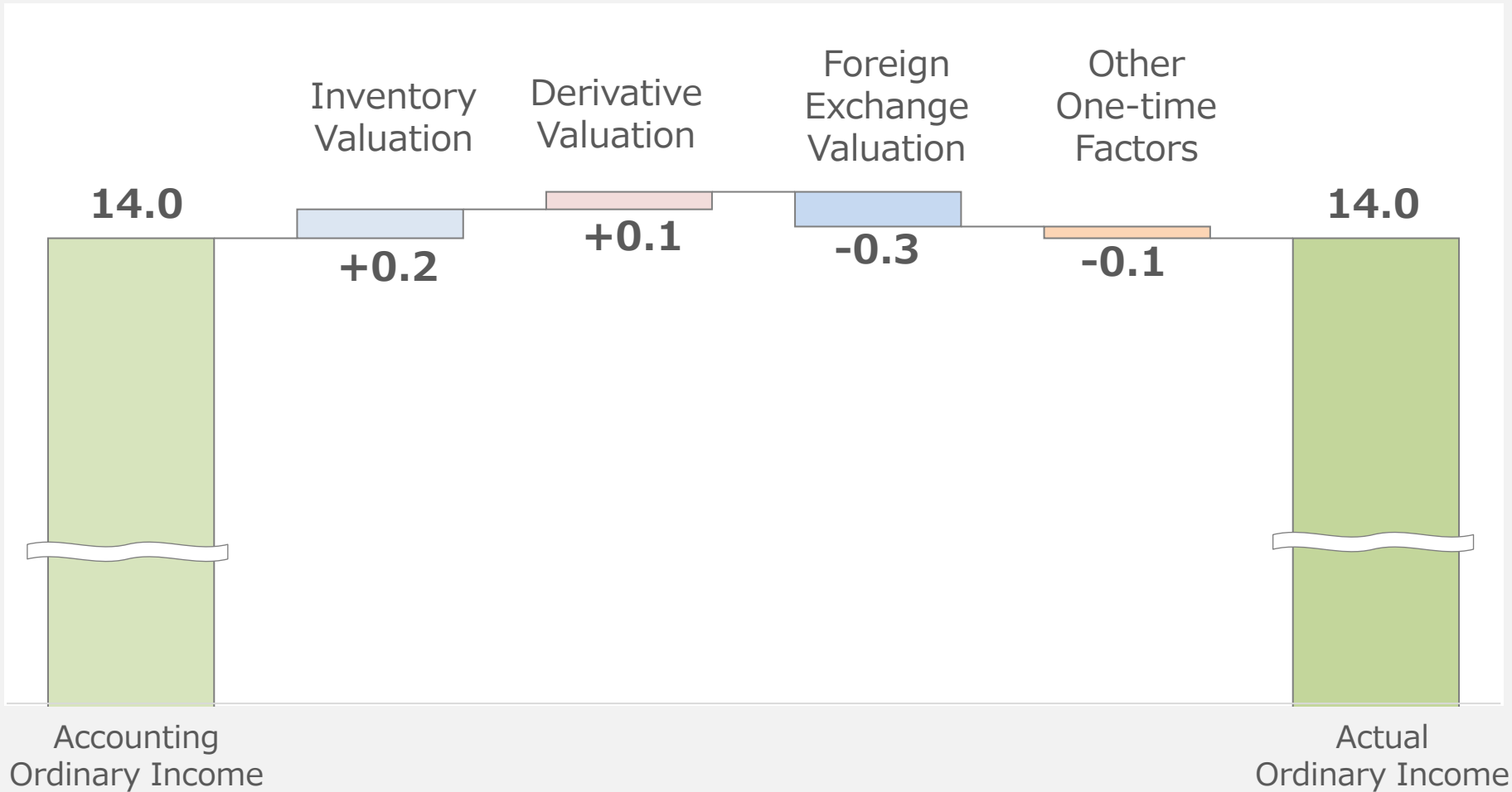
(billions of yen)

Business Segment	FY2024					FY2025					Y on Y Change
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	YTD	
Steel	7.7	6.4	9.4	9.4	33.1	9.7				9.7	+2.0
Primary Metal	1.1	2.2	-0.4	3.0	6.0	-0.5				-0.5	-1.7
Metal Recycling	0.7	0.7	1.4	0.1	3.0	-0.0				-0.0	-0.8
Foods	0.3	0.4	1.4	0.0	2.3	0.9				0.9	+0.5
Energy & Living Materials	1.4	3.6	2.4	2.7	10.4	2.4				2.4	+1.0
Overseas Sales Subsidiaries	1.6	2.0	2.5	2.0	8.2	1.8				1.8	+0.2
Other	0.9	0.1	0.4	0.8	2.4	0.6				0.6	-0.3
Adjustment	-1.8	0.1	-2.3	-1.9	-5.9	-1.0				-1.0	+0.8
Total	12.3	15.7	15.0	16.5	59.7	14.0				14.0	+1.6

Impacts of Profits/Losses from Market Value Accounting and Temporary Factors

■ Actual ordinary income was **14.0 bil. yen** while accounting ordinary income was 14.0 bil. yen.

(billions of yen)



Financial Position (Consolidated)

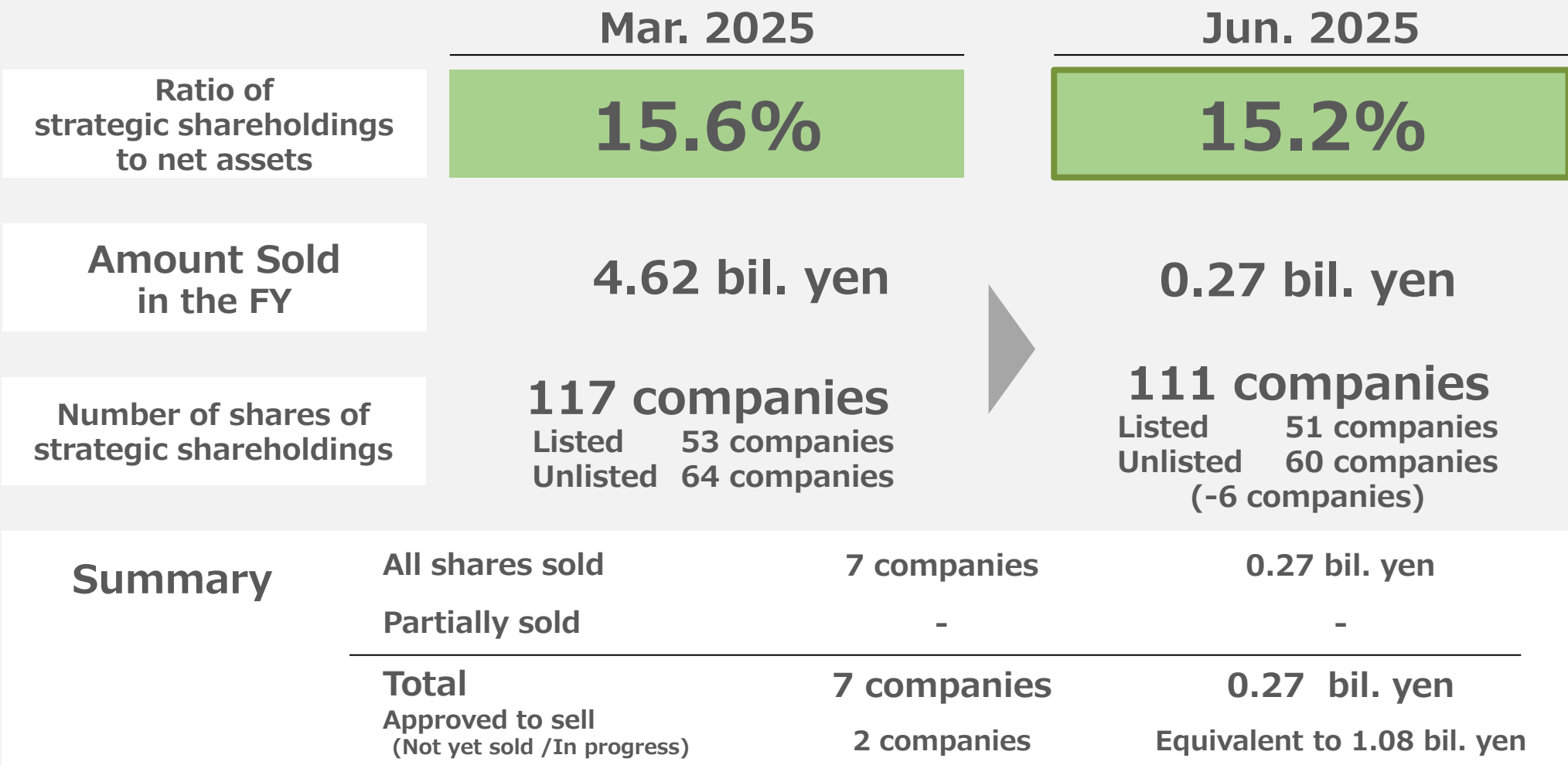
(billions of yen)

	Mar. 2025	Jun. 2025	Change (Rate)	Main Factors
Total Assets	1,165.8	1,141.7	-24.0 (-2%)	Decreased due to a reduction in inventories and accounts receivable.
Shareholder's Equity	339.6	344.1	+4.4 (+1%)	Despite the acquisition of the company's own shares, shareholders' equity increased due to the accumulation of quarterly net income attributable to owners of the parent company.
Owner's Equity	383.0	381.4	-1.6 (-0%)	
Owner's equity ratio (taking account of hybrid loan)	32.9% (35.0%)	33.4% (35.6%)	+0.6pt	
Interest-bearing Debt	382.3	382.0	-0.3 (-0%)	Net interest-bearing debt decreased due to an increase in cash and cash equivalents.
Net Interest-bearing Debt	317.0	307.5	-9.4 (-3%)	
Net DER (taking account of hybrid loan)	83% (72%)	81% (70%)	-2pt	

2. Progress on Medium-Term Business Plan 2025

Reducing Strategic Shareholdings

- Sold shares of 7 companies for a total of 0.27 bil. yen through FY2025 Q1.
- Continue divestments to achieve a further reduction in terms of capital efficiency and asset replacement.



*We have acquired one unlisted stock in FY2025 Q1.

Investments Updates FY2025 Q1

Segments	Amounts FY2025 Q1	Major Projects (during Mid-Term Business Plan 2025)	Mid-Term Business Plan 2025 (Target: Total of 80bil. Yen)
Steel	4.5 bil. yen	<div><div>Establishment of new factories at overseas coil center subsidiaries.</div><div>Acquisition of Shares in Kanematsu Trading Corporation.</div></div>	19.5 bil. yen
Primary Metal	-	<div><div>Investment in PMB TECHNOLOGY BERHAD etc.</div></div>	2.3 bil. yen
Metal Recycling	0.2 bil. yen	<div><div>Capacity expansion of domestic consolidated subsidiaries etc.</div></div>	1.6 bil. yen
Foods	0.0 bil. yen	<div><div>Incorporation of Marugo Fukuyama Suisan Co., Ltd. into the group etc.</div></div>	1.7 bil. yen
Energy & Living Materials	0.0 bil. yen	<div><div>Capacity expansion of domestic consolidated subsidiaries etc.</div></div>	2.1 bil. yen
Overseas Sales Subsidiaries	2.1 bil. yen	<div><div>Joint investment with Yamato Kogyo Group in Indonesia etc.</div><div>Investment in GREEN ESTEEL PTE. LTD etc.</div></div>	15.8 bil. yen
Other	0.1 bil. yen	<div><div>Acquisition of 100% of shares in Shinx Corporation etc.</div></div>	5.5 bil. yen
Whole Company	0.2 bil. yen	<div><div>Construction/enhancement of new core system, acquisition of new land etc.</div></div>	6.3 bil. yen
Total Amount	7.5 bil. yen		Cumulative Total 55.3 bil. yen
<div><div>Environmentally Responsible Resources</div><div>Secondary Battery</div><div>High-Value-added processed products</div><div>Local business(Overseas)</div><div>Existing Business in Japan</div></div>			Progress 69.2%

Investment in Tire Pyrolysis Recycling Business in Thailand

HANWA THAILAND CO., LTD. (“HANWA THAILAND”), a subsidiary of HANWA CO., LTD. (“HANWA”), has made a partial investment in PYRO ENERGIE CO., LTD. (“PYRO”), a tire pyrolysis recycling company based in Thailand.

Through this investment in PYRO, HANWA Group aims to enhance the value of pyrolysis derived products and build a global supply chain in partnership with tire manufacturers. Our products will be supplied to the chemical industry, synthetic rubber sector and tire manufacturers, contributing significantly to the advancement of a sustainable circular economy.

HANWA group will promote business activities that meet the social needs of customers with these certifications, by expanding the handling of biomass products and recycled products aiming to realize a decarbonized society.

Date of Execution : June 26th, 2025
Business Activities : Tire pyrolysis recycling business
Processing Capacity : 100,000 tons/year



The factory



Collected used tires



Pyrolysis-related products
(from left: pyrolysis oil, carbon black, wire scrap)

Kanematsu Trading Corporation, which had been incorporated into our group of companies, has officially changed its corporate name.

Kanematsu Trading Corporation will change its name on October 1, 2025, following its integration into the corporate group after being fully acquired on April 1, 2025.

Current Name: Kanematsu Trading Corporation
New Name: HKG Trading Co., Ltd.

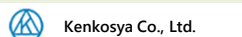
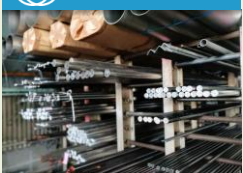
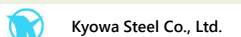
The name change is intended to enhance group unity and synergies, leveraging the company’s strengths to build a more adaptable and robust supply chain.

Line of Business :
Domestic Sales and Import-Export business in Products of Steel, Construction Materials, Ironmaking & Steelmaking Raw Materials, Stainless Steel, Special Steel, etc. Steel frame construction and interior and exterior contracting work.

Affiliated Companies:
Kyowa Steel Co., Ltd. (Thick plate cutting business)
Eiway Metal Co., Ltd. (Titanium product wholesale)
Kenkosha Co., Ltd. (Sash and fittings manufacturing)
Kyowa Transport Co., Ltd. (Transportation business)



※HKG Trading Co., Ltd. is planning to update its company logo.



3. Details by Business Segment

Steel Business Segment

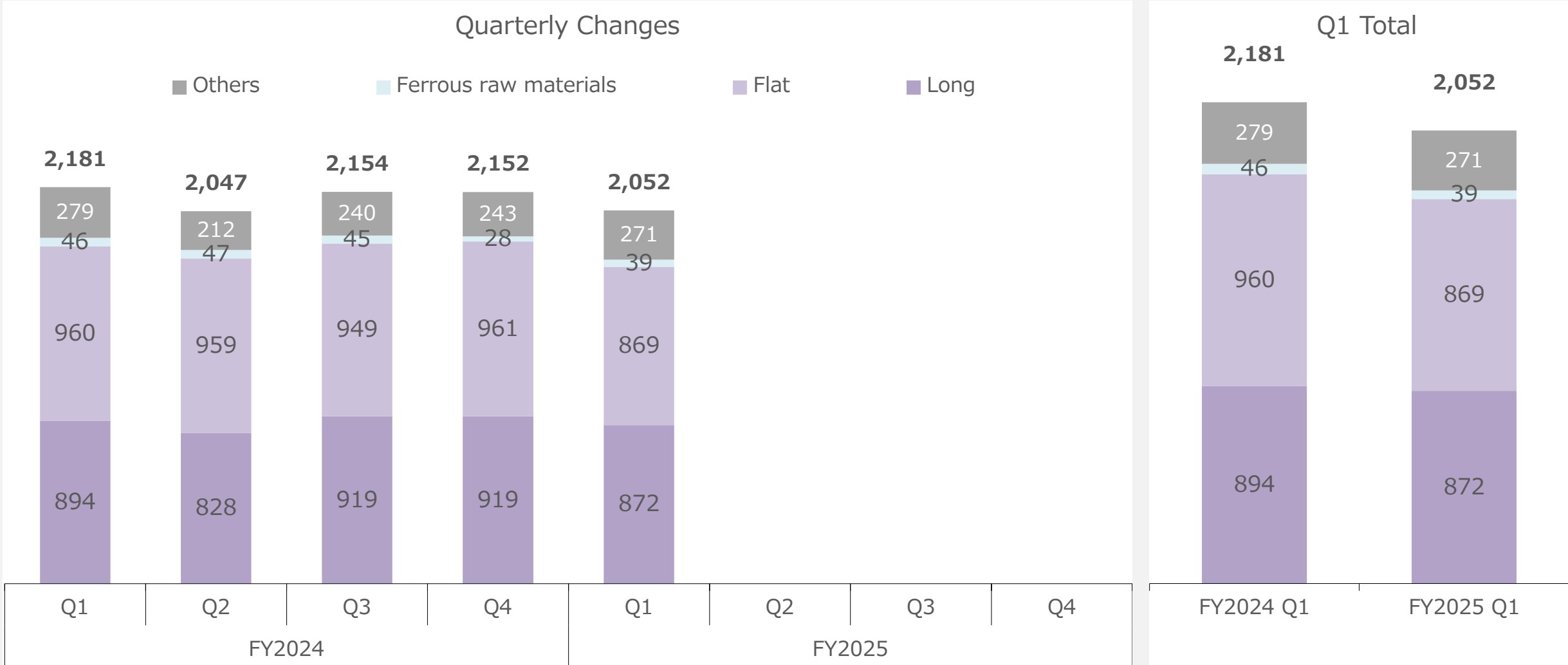
- The decrease in transaction volume and falling prices of various steel products exerted downward pressure on sales.
- Profits increased due to steady sales of construction materials, solid performance in the domestic construction sector. sales at some overseas subsidiaries improved.

(billions of yen)	FY2024					FY2025					Y on Y Change
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	(Y on Y Rate)
Net Sales	293.9	290.0	289.3	281.8	1,155.2	270.0	—	—	—	270.0	-23.9 (-8%)
Ordinary income	7.7	6.4	9.4	9.4	33.1	9.7	—	—	—	9.7	+2.0 (+26%)
Parent only	7.1	6.2	7.8	7.7	29.0	8.5	—	—	—	8.5	+1.3 (+19%)
Domestic consolidated subsidiaries	0.9	1.0	1.1	0.7	3.8	0.7	—	—	—	0.7	-0.1 (-21%)
Overseas consolidated subsidiaries	0.3	-0.4	0.6	1.1	1.6	0.8	—	—	—	0.8	+0.5 (+163%)
Equity in earnings of affiliates	0.3	-0.0	-0.1	-0.0	0.0	0.5	—	—	—	0.5	+0.2 (+74%)
Adjustment	-1.0	-0.3	-0.0	-0.1	-1.4	-0.9	—	—	—	-0.9	+0.0 —

Steel Business Segment

Trend of Transaction Volume*
(Consolidated)

(thousand tons)



* The consolidated steel transaction volume in Steel Business Segment is the sum of the company's volume and that of its consolidated subsidiaries which is classified in Steel Business Segment. Please refer to p.3 for the total volume of steel handled in all business segments.

Primary Metal Business Segment

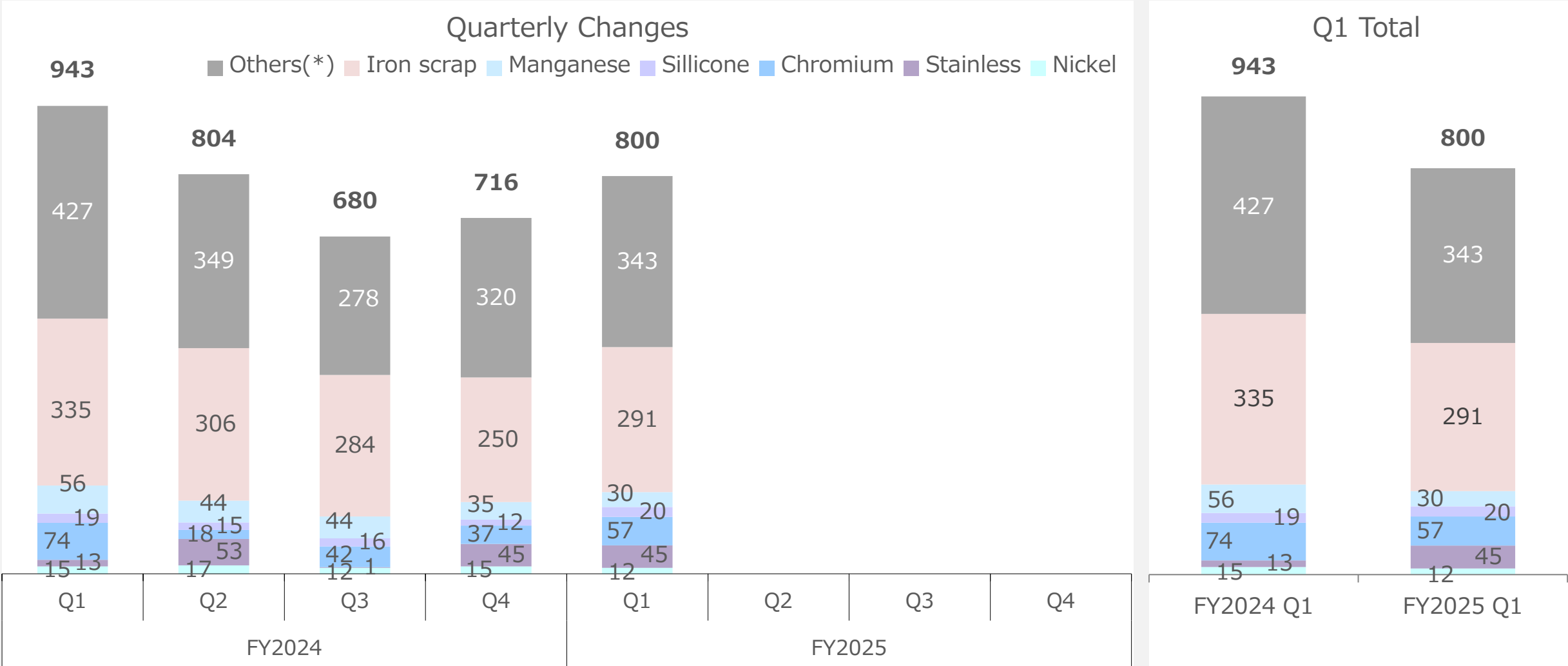
■ Although the standalone results showed increased profits due to higher transaction volumes of stainless products and other items, consolidated profits declined due to equity in losses from SAMANCOR CHROME HOLDINGS PROPRIETARY LTD.

(billions of yen)	FY2024					FY2025					Y on Y Change
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	(Y on Y Rate)
Net Sales	45.8	53.8	43.0	41.4	184.2	55.1	–	–	–	55.1	+9.2 (+20%)
Ordinary income	1.1	2.2	-0.4	3.0	6.0	-0.5	–	–	–	-0.5	-1.7 –
Parent only	0.8	1.6	1.2	0.5	4.3	1.2	–	–	–	1.2	+0.3 (+38%)
Domestic consolidated subsidiaries	-0.0	-0.0	0.0	-0.0	-0.0	-0.0	–	–	–	-0.0	- 0.0 –
Overseas consolidated subsidiaries	–	–	–	–	–	–	–	–	–	–	–
Equity in earnings of affiliates	0.2	0.5	-1.6	2.5	1.7	-1.8	–	–	–	-1.8	-2.1 –
Adjustment	-0.0	-0.0	–	0.0	-0.0	-0.0	–	–	–	-0.0	+0.0 –

Primary Metal Business Segment

Trend of Transaction Volume
(Unconsolidated)

(thousand tons)



(*) 'Others' includes auxiliary materials such as sulfur, sulfuric acid, and coal etc.

Metal Recycling Business Segment

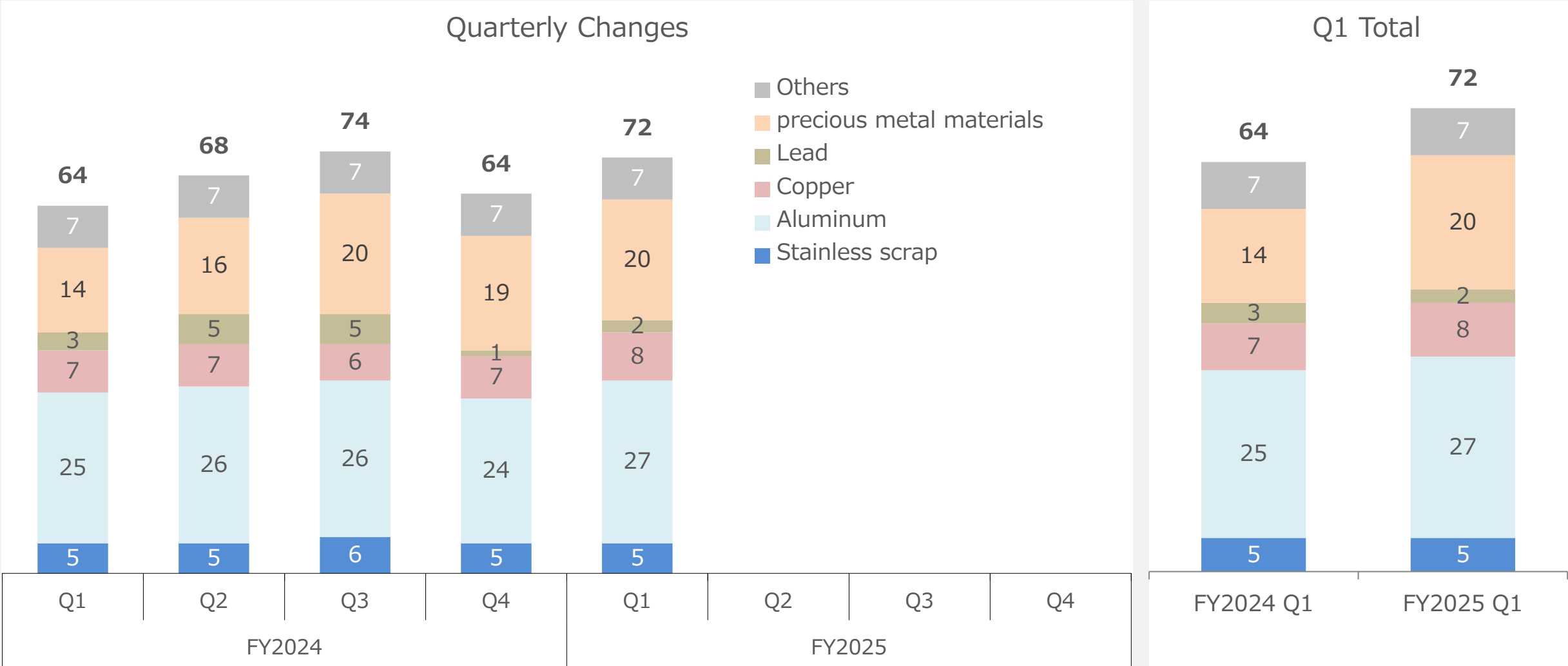
- The increase in transaction volumes of precious metal materials led to improved sales.
- Profits decreased due to a decline in market prices of aluminum and nickel.

(billions of yen)	FY2024					FY2025					Y on Y Change
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	(Y on Y Rate)
Net Sales	54.0	55.0	69.4	48.2	226.8	64.0	–	–	–	64.0	+9.9 (+18%)
Ordinary income	0.7	0.7	1.4	0.1	3.0	-0.0	–	–	–	-0.0	-0.8 –
Parent only	0.5	0.6	1.3	0.0	2.5	-0.2	–	–	–	-0.2	-0.7 –
Domestic consolidated subsidiaries	0.2	-0.0	0.0	0.1	0.5	0.1	–	–	–	0.1	-0.1 (-57%)
Overseas consolidated subsidiaries	-0.0	-0.0	0.0	-0.0	-0.1	-0.0	–	–	–	-0.0	+0.0 –
Equity in earnings of affiliates	0.0	0.0	0.0	0.0	0.0	0.0	–	–	–	0.0	+0.0 (+77%)
Adjustment	-0.0	0.0	-0.0	0.0	0.0	-0.0	–	–	–	-0.0	-0.0 –

Metal Recycling Business Segment

Trend of Transaction Volume
(Unconsolidated)

(thousand tons)



※From this fiscal year, part of the transaction volume classification has been reorganized. The term "E-scrap" has been reclassified as "precious metal materials," and relevant materials previously categorized under "E-scrap," "others," and "copper" are currently being aggregated.

Foods Business Segment

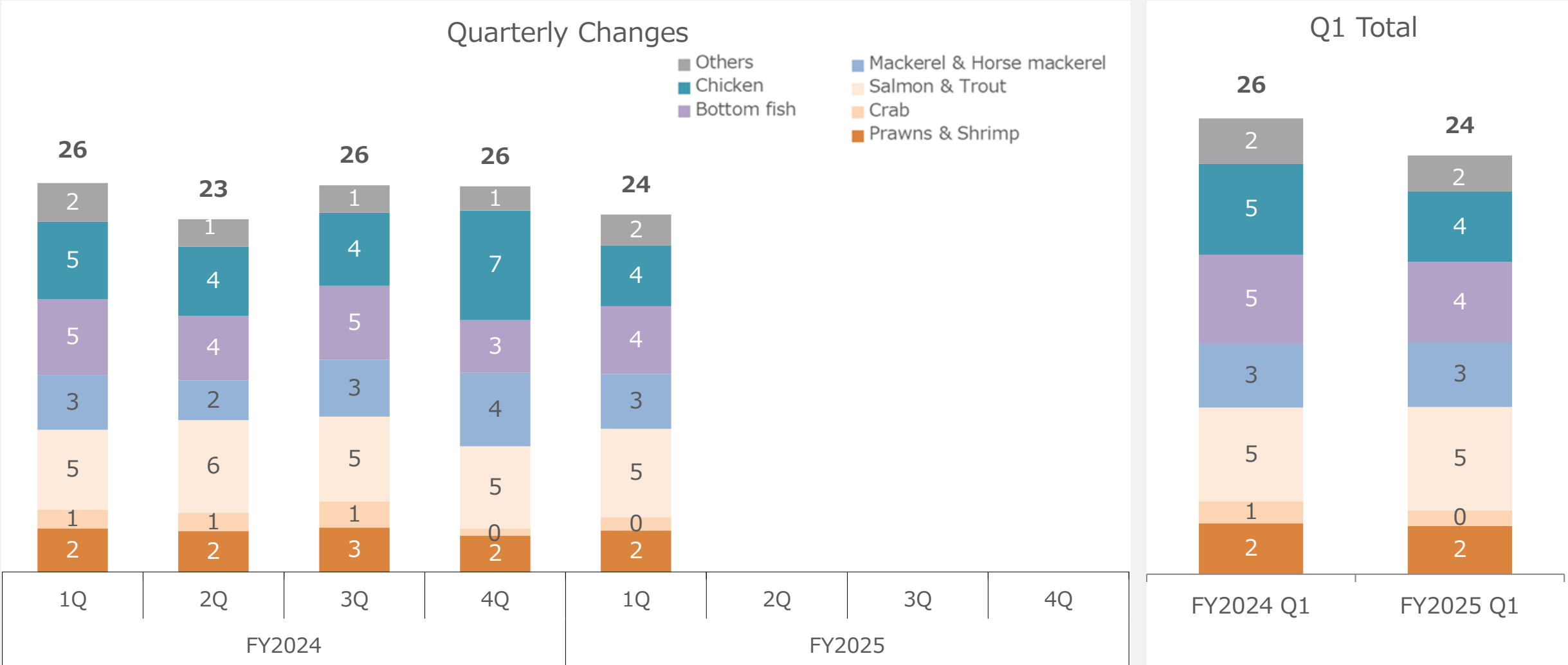
■ Sales to the food service industry in U.S. subsidiaries remained strong, and a newly consolidated subsidiary performed well.

(billions of yen)	FY2024					FY2025					Y on Y Change
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	(Y on Y Rate)
Net Sales	29.3	36.5	42.1	32.4	140.4	35.6	—	—	—	35.6	+6.3 (+22%)
Ordinary income	0.3	0.4	1.4	0.0	2.3	0.9	—	—	—	0.9	+0.5 (+151%)
Parent only	0.5	0.1	1.0	0.1	1.8	0.1	—	—	—	0.1	-0.3 (-62%)
Domestic consolidated subsidiaries	0.0	0.0	0.3	-0.0	0.3	0.5	—	—	—	0.5	+0.5 —
Overseas consolidated subsidiaries	0.0	0.1	-0.0	0.1	0.3	0.2	—	—	—	0.2	+0.1 (+159%)
Equity in earnings of affiliates	—	—	—	—	—	—	—	—	—	—	—
Adjustment	-0.2	0.1	0.0	-0.1	-0.2	-0.0	—	—	—	-0.0	+0.2 —

Foods Business Segment

Trend of Transaction Volume
(Unconsolidated)

(thousand tons)



Energy & Living Materials Business Segment

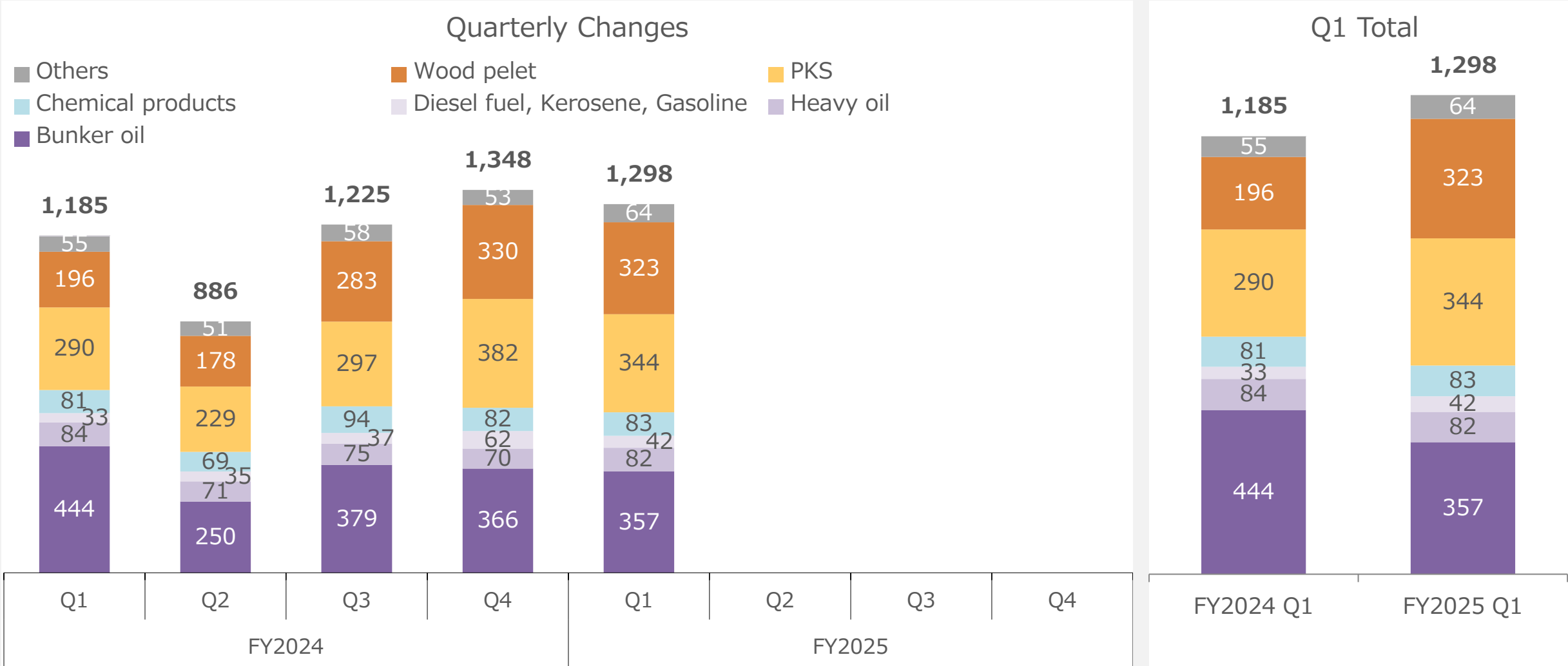
■ Sales of wood pellets remained firm, and profitability improved in some subsidiaries.

(billions of yen)	FY2024					FY2025					Y on Y Change
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	(Y on Y Rate)
Net Sales	93.6	90.9	99.8	107.3	391.6	93.6	–	–	–	93.6	+0.0 (+0%)
Ordinary income	1.4	3.6	2.4	2.7	10.4	2.4	–	–	–	2.4	+1.0 (+68%)
Parent only	1.9	2.6	2.6	1.8	9.0	2.6	–	–	–	2.6	+0.7 (+39%)
Domestic consolidated subsidiaries	-0.3	0.9	-0.1	0.8	1.4	0.3	–	–	–	0.3	+0.6 –
Overseas consolidated subsidiaries	–	–	–	–	–	–	–	–	–	–	–
Equity in earnings of affiliates	0.0	0.0	0.0	-0.0	0.0	0.0	–	–	–	0.0	-0.0 (-18%)
Adjustment	-0.1	-0.0	-0.0	0.0	-0.1	-0.5	–	–	–	-0.5	-0.3 –

Energy & Living Materials Business Segment

Trend of Transaction Volume
(Unconsolidated)

(thousand tons)

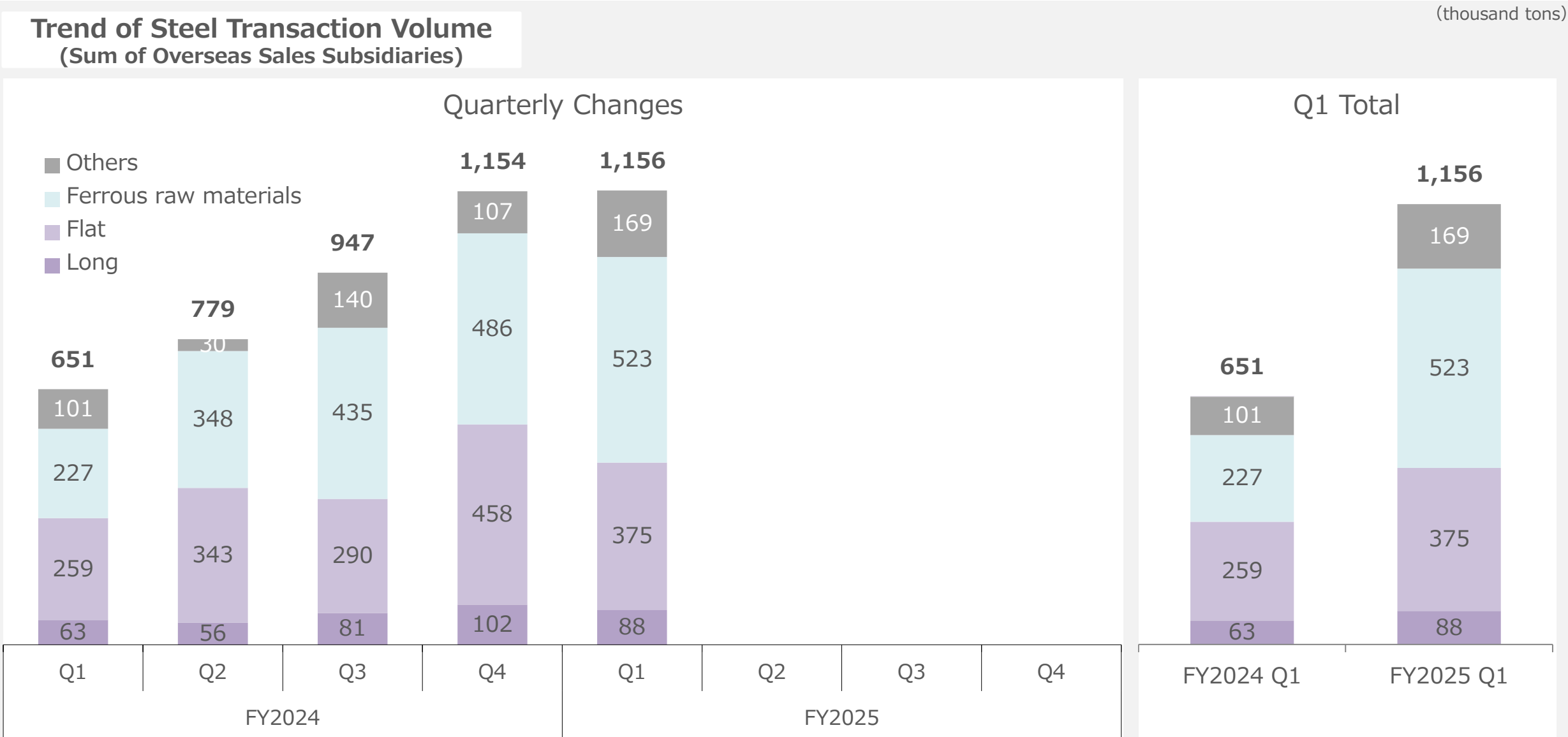


Overseas Sales Subsidiaries Segment

■ There was an increase in scrap transactions in Southeast Asia and newly consolidated companies contributed to overall performance.

(billions of yen)	FY2024					FY2025					Y on Y Change
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	(Y on Y Rate)
Net Sales	97.5	108.4	116.2	119.1	441.3	118.4	—	—	—	118.4	+20.9 (+21%)
Ordinary income	1.6	2.0	2.5	2.0	8.2	1.8	—	—	—	1.8	+0.2 (+13%)
ASEAN	1.1	1.3	1.7	1.4	5.6	1.2	—	—	—	1.2	+0.0 (+8%)
East Asia	0.1	0.1	0.2	0.3	0.8	0.1	—	—	—	0.1	+0.0 (+24%)
North America	0.3	0.4	0.5	0.4	1.7	0.3	—	—	—	0.3	- 0.0 (-5%)
Others	0.0	0.1	0.0	-0.1	0.0	0.1	—	—	—	0.1	+0.0 (+232%)
Adjustment	0.0	-0.0	-0.0	-0.0	-0.0	0.0	—	—	—	0.0	+0.0 (+850%)

Overseas Sales Subsidiaries Segment



Other Segment

- Housing Materials: Market prices of European lumber were lower.
- Machineries: There was an increase in completed projects in industrial machinery.

(billions of yen)	FY2024					FY2025					Y on Y Change
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	(Y on Y Rate)
Net Sales	32.0	33.3	34.2	34.0	133.7	31.2	—	—	—	31.2	-0.7 (-2%)
Ordinary income	0.9	0.1	0.4	0.8	2.4	0.6	—	—	—	0.6	-0.3 (-33%)
Parent only	0.8	-0.1	0.3	0.5	1.6	0.6	—	—	—	0.6	-0.1 (-19%)
Domestic consolidated subsidiaries	0.1	0.2	0.2	0.4	1.0	0.2	—	—	—	0.2	+0.0 (+81%)
Overseas consolidated subsidiaries	—	—	—	—	—	—	—	—	—	0.0	—
Equity in earnings of affiliates	—	—	—	—	—	—	—	—	—	0.0	—
Adjustment	—	-0.0	-0.1	-0.1	-0.2	-0.2	—	—	—	-0.2	-0.2 —

Actual Ordinary Income by Segment

(billions of yen)

Business Segments	Net Sales	Accounting Ordinary Income	Valuation and Temporary Items				Actual Ordinary Income	Rate against FY2025 Forecast	
			Inventory Valuation	Derivative Valuation	Foreign Exchange Valuation	One-time Factors		1st Half	Full year
Steel	270.0	9.7	-0.0	-	-	-0.0	9.8	73%	34%
Primary Metal	55.1	-0.5	-0.0	0.0	-	-	-0.5	-	-
Metal Recycling	64.0	0.0	-0.0	-0.2	-	-	0.1	12%	5%
Foods	35.6	0.9	-0.0	-	-	0.0	0.9	100%	33%
Energy & Living Materials	93.6	2.4	-0.0	-0.0	-	-	2.5	42%	21%
Overseas Sales Subsidiaries	118.4	1.8	0.0	0.0	-	0.0	1.6	49%	23%
Other	31.2	0.6	0.0	-	-	-	0.6	64%	25%
Adjustment	-28.3	-1.0	-	-	0.3	-	-1.3	-	-
Total	639.8	14.0	-0.2	-0.1	0.3	0.1	14.0	54%	26%

Run Up to HANWA 2030

A thick green arrow pointing to the right, spanning the width of the slide.

This presentation contains forward-looking statements concerning future results, performance and achievements that are subject to risk and uncertainties and reflect management's views and assumptions formed by available information. Consequently, due to a range of possible factors, actual results may materially differ from the forecasts.