Outline of Financial Results
for the Six Months ended September 30, 2025

November 2025

HANWA CO., LTD.

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

1. Summary of FY2025 Q2 Financial Results and Progress

2. Progress on Medium-Term Business Plan 2025

3. Details by Business Segment

1. Summary of FY2025 Q2 Financial Results and Progress

Summary of Consolidated Financial Results

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- Ordinary income for the first half of FY2025 was 23.8bn yen, making 43% progress toward the full-year forecast of 55bn yen.
- The full-year forecast remained unchanged.

(billions of yen)	FY2024 H1 Results	FY2025 H1 Results	YoY change	FY2025 Forecast	Progress
Net Sales	1,258.6	1,279.1	+20.4 (+2%)	2,600	49%
Gross Profit	65.9	67.5	+1.5 (+2%)	–	–
Operating Income	28.8	27.7	-1.1 (-4%)	55	50%
Ordinary Income	28.1	23.8	-4.2 (-15%)	55	43%
Net Income Attributable to Owners of the Company	20.2	16.7	-3.4 (-17%)	40	42%
Consolidated Steel Transaction Volume (million metric tons) *1	6.44	7.07	+0.64 (+9.9%)	–	–

*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 H1 Results	FY2025 H1 Results	YoY Change (YoY Rate)	Main Factors
Steel	14.1	16.9	+2.7 (+20%)	Profit increased due to steady sales of construction materials, solid performance in the domestic construction sector and improved profitability in some overseas subsidiaries.
Primary Metal	3.4	-1.2	-4.6 (－)	Profit decreased due to equity in losses from SAMANCOR CHROME HOLDINGS PROPRIETARY LTD.
Metal Recycling	1.4	0.2	-1.2 (-83%)	Profit decreased due to the deterioration in the profitability of aluminum and copper.
Foods	0.8	1.8	+1.0 (+128%)	Profit increased due to the sales growth to food service industry in a US subsidiary and the contribution from a newly consolidated subsidiary.
Energy & Living Materials	5.1	3.9	-1.1 (-23%)	Although sales of wood pellets and PKS(Palm Kernel Shell) remained strong, profit decreased due to the absence of significant one-time derivative valuation gains recorded at the previous fiscal year-end.
Overseas Sales Subsidiaries	3.7	3.3	-0.3 (-10%)	Profit decreased due to the deterioration mainly in the profitability of steel products.
Other	1.0	1.0	-0.0 (-2%)	Housing Materials: Profit decreased mainly due to the sluggish European lumber market. Machinery: The number of completed projects in the industrial machinery sector increased.
Adjustment	-1.6	-2.3	-0.6 (－)	
Total	28.1	23.8	-4.2 (-15%)	

Segment Ordinary Income compared to Forecast

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(billions of yen)

Business Segments	FY2025 Forecast 1st Half	FY2025 Forecast 2nd Half	FY2025 Forecast Full year	FY2025 H1 Results	Rate against Full year Forecast	Main Factors
Steel	13.5	15.5	29.0	16.9	58%	Despite a decline in handling volumes, primarily for steel plates, amid sluggish steel demand, the ordinary income exceeded forecast due to steady performance in the domestic construction sector and improved profitability in some overseas subsidiaries.
Primary Metal	2.0	1.5	3.5	-1.2	–	Equity in losses from SAMANCOR CHROME HOLDINGS PROPRIETARY LTD significantly underperformed.
Metal Recycling	1.5	2.0	3.5	0.2	7%	The business environment for aluminum and copper underwent drastic changes, significantly worsening profitability. Additionally, price increases led to temporary derivative valuation losses, resulting in a downward deviation.
Foods	1.0	2.0	3.0	1.8	62%	Contributions from a newly consolidated subsidiary and solid performance from certain domestic and overseas subsidiaries resulting in an upward deviation from the forecast.
Energy & Living Materials	6.0	6.0	12.0	3.9	33%	The business environment for various products, such as petroleum and chemical products underwent abrupt changes, resulting in a prolonged period where profit margins were harder to achieve than anticipated, leading to a downward deviation from the forecast.
Overseas Sales Subsidiaries	3.5	4.0	7.5	3.3	45%	Despite the continued weakness in the ASEAN steel market, overall performance was broadly in line with the forecast, supported by solid results in the recycled metal business.
Other	1.0	1.5	2.5	1.0	42%	While completed projects increased in the machinery business, the housing materials business experienced a downturn due to weak timber market conditions.
Adjustment	-2.5	-3.5	-6.0	-2.3	–	
Total	26.0	29.0	55.0	23.8	43%	

Quarterly Ordinary Income by Segment

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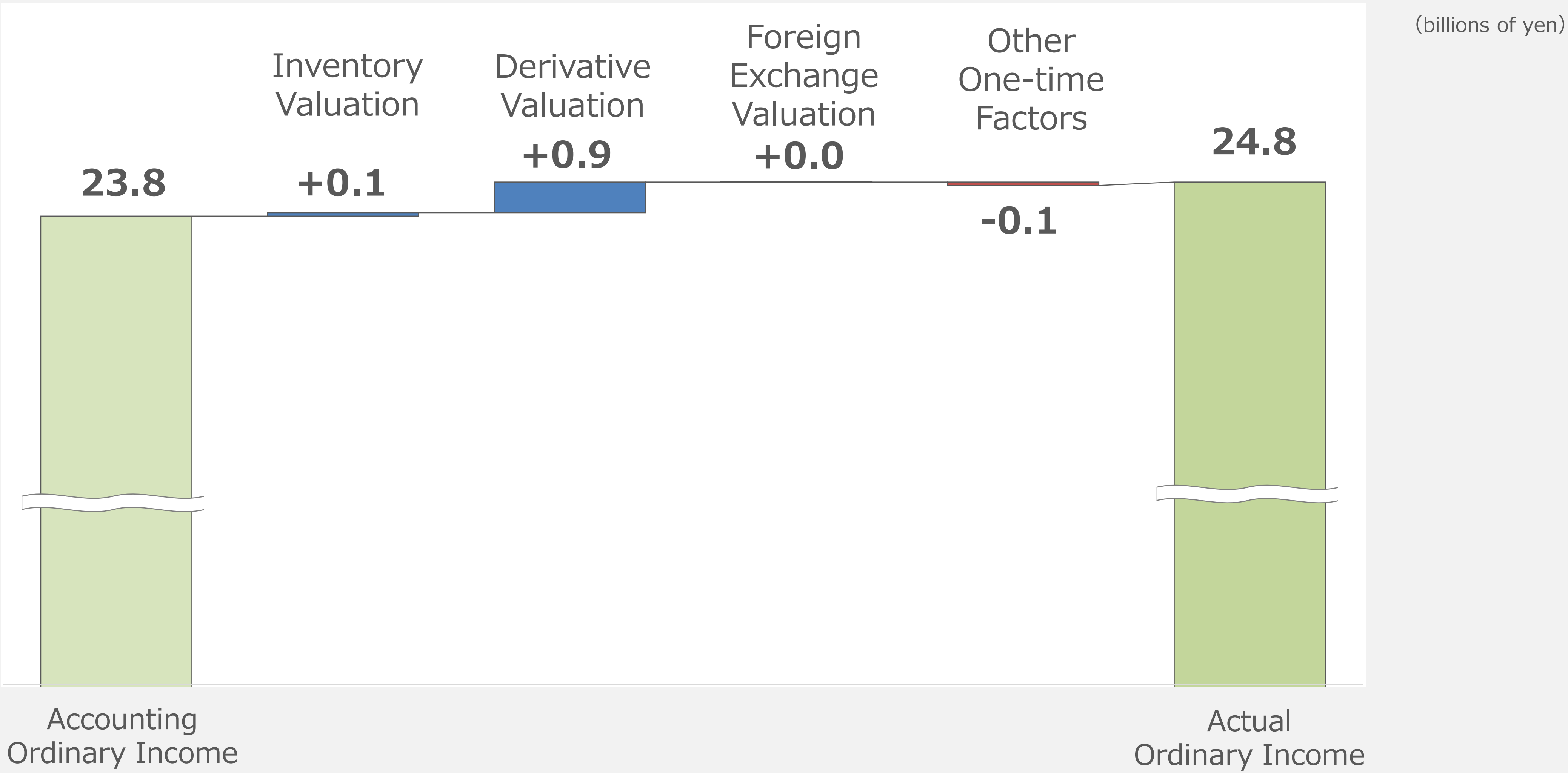
(billions of yen)

Business Segment	FY2024 Q1	FY2024 Q2	FY2024 Q3	FY2024 Q4	FY2024 Total	FY2025 Q1	FY2025 Q2	FY2025 Q3	FY2025 Q4	FY2025 YTD	YoY Change
Steel	7.7	6.4	9.4	9.4	33.1	9.7	7.1	–	–	16.9	+2.7
Primary Metal	1.1	2.2	-0.4	3.0	6.0	-0.5	-0.6	–	–	-1.2	-4.6
Metal Recycling	0.7	0.7	1.4	0.1	3.0	-0.0	0.3	–	–	0.2	-1.2
Foods	0.3	0.4	1.4	0.0	2.3	0.9	0.8	–	–	1.8	+1.0
Energy & Living Materials	1.4	3.6	2.4	2.7	10.4	2.4	1.4	–	–	3.9	-1.1
Overseas Sales Subsidiaries	1.6	2.0	2.5	2.0	8.2	1.8	1.5	–	–	3.3	-0.3
Other	0.9	0.1	0.4	0.8	2.4	0.6	0.4	–	–	1.0	-0.0
Adjustment	-1.8	0.1	-2.3	-1.9	-5.9	-1.0	-1.3	–	–	-2.3	-0.6
Total	12.3	15.7	15.0	16.5	59.7	14.0	9.8	–	–	23.8	-4.2

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

- Actual ordinary income was 23.8bn yen while accounting ordinary income was 24.8bn yen.



Financial Position (Consolidated)

	Mar. 2025	Jun. 2025	Change (Rate)
Total Assets	1,165.8	1,128.7	-37.0 (-3%)
Shareholder's Equity	339.6	348.1	+8.5 (+3%)
Owner's Equity	383.0	390.7	+7.7 (+2%)
Owner's equity ratio (taking account of hybrid loan)	32.9% (35.0%)	34.6% (36.8%)	+1.7pt
Interest-bearing Debt	382.3	361.6	-20.6 (-5%)
Net Interest-bearing Debt	317.0	283.6	-33.4 (-11%)
N e t D E R (taking account of hybrid loan)	83% (72%)	73% (62%)	-10pt

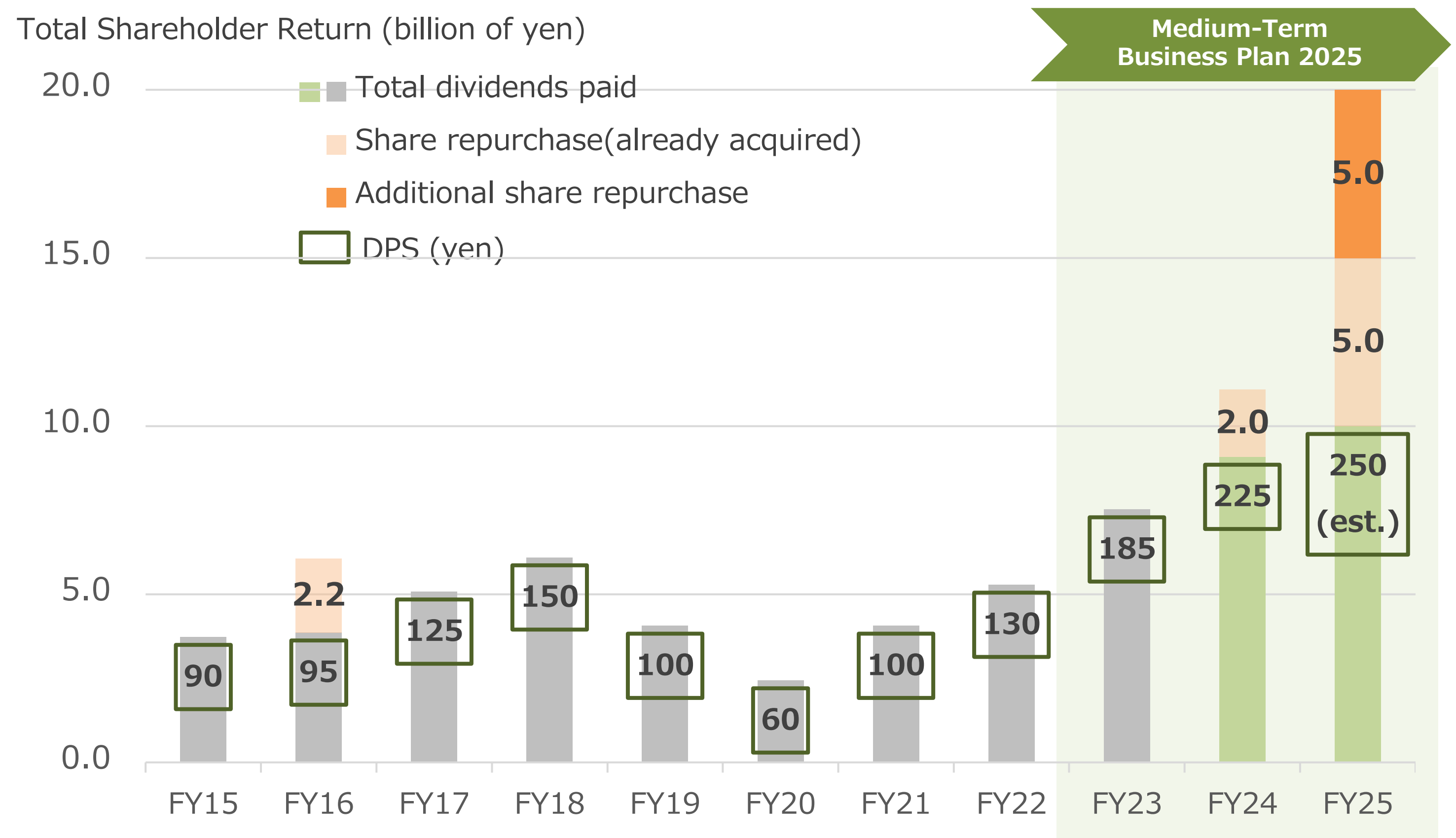
Main Factors
Decreased due to a reduction in inventories and accounts receivable.
Despite the acquisition of the company’s own shares, shareholders' equity increased due to the accumulation of quarterly net income attributable to owners of the parent company.
Interest-bearing debt decreased due to a decline in working capital requirements.

2. Progress on Medium-Term Business Plan 2025

Shareholder returns / Stock split

- Decided a share repurchase with an upper limit of 5.0bn yen (Announced on November 7).
  ※The share repurchase of 5.0bn yen announced on May 9 was completed in October.
- Resolved to pay an interim dividend of 125 yen per share as originally anticipated.
- **Decided to implement a five-for-one stock split**, effective April 1st, 2026 (Announced on November 7).

Total shareholder returns



Stock split

■ Purpose

The purpose of the stock split is to enhance the liquidity of the Company's shares and broaden our investor base by reducing the investment amount per trading unit.

■ Schedule

Record date : March 31st,2026
Effective date : April 1st, 2026

■ Stock split ratio

A five-for-one stock split will be conducted for each share of common stock held by shareholders recorded in the final shareholder registry as of March 31, 2026.

*DOE = Total Dividends / Term-beginning Shareholders' Equity

Reducing Strategic Shareholdings

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- Sold shares of 10 companies for a total of 0.35bn yen in H1 FY2025.
- Continue divestments to achieve a further reduction in terms of capital efficiency and asset replacement.

	Mar. 2025	Sep. 2025
Ratio of strategic shareholdings to net assets	15.6%	15.9%
Amount Sold in the FY total	4.62bn yen	0.35bn yen
Number of shares of strategic shareholdings	117 companies Listed 53 companies Unlisted 64 companies	110 companies Listed 51 companies Unlisted 59 companies (-7 companies)

Summary

All shares sold	8 companies	0.27bn yen
Partially sold	2 companies	0.08bn yen
Total	10 companies	0.35bn yen
Approved to sell (Not yet sold /In progress)	1 company	Equivalent to 1.32bn yen

*We have acquired one unlisted stock in FY2025 Q1.

Investments Updates H1 FY2025

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Segments	Amounts H1 FY2025	Major Projects (during MTP 2025)	Cumulative amounts through MTP 2025 (Target: Total of 80bn yen)
Steel	5.0bn yen	Establishment of new factories at overseas coil center subsidiaries. Acquisition of Shares in Kanematsu Trading Corporation.	20.0bn yen
Primary Metal	-	Investment in PMB TECHNOLOGY BERHAD etc.	2.3bn yen
Metal Recycling	0.3bn yen	Capacity expansion of domestic consolidated subsidiaries etc.	1.7bn yen
Foods	0.4bn yen	Incorporation of Marugo Fukuyama Suisan Co., Ltd. into the group etc.	2.1bn yen
Energy & Living Materials	0.0bn yen	Capacity expansion of domestic consolidated subsidiaries etc.	2.2bn yen
Overseas Sales Subsidiaries	2.3bn yen	Joint investment with Yamato Kogyo Group in Indonesia etc. Investment in GREEN ESTEEL PTE. LTD etc.	16.0bn yen
Other	0.3bn yen	Acquisition of 100% of shares in Shinx Corporation etc.	5.7bn yen
Whole Company	1.4bn yen	Construction/enhancement of new core system, acquisition of new land etc.	7.5bn yen
Total Amount	10.0bn yen	Total Amount	57.8bn yen

Progress 72.4 %

Environmentally Responsible Resources
Secondary Battery
High-Value-added processed products
Local business (Overseas)
Existing Business in Japan

*"Medium-term Management Plan 2025" is referred to as "MTP 2025".

Investment Contributions

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Contributions from "SOKOKA" (Just-in-Time delivery, small lot, processing) strategy investments and overseas expansion investments

( ) indicates Return on Investment

Cumulative investments from 8th MTP to 10th MTP	→	Cumulative contributions from 8th MTP to 10th MTP
Approx. 29.4bn yen		Approx. 5.6bn yen (Approx. 4.3%)

*"8th Medium-term Management Plan" is referred to as "8th MTP". The same applies to "9th MTP" and "10th MTP".

- The data collection period for "Cumulative investments" and "Cumulative contributions" is as follows:
  - ✓ 8th MTP : FY2016 ~ FY2019
  - ✓ 9th MTP : FY2020 ~ FY2022
  - ✓ 10th MTP : FY2023 ~ FY2025

  (*10th MTP covers only the results for FY2023 and FY2024.)

Contributions from Strategic Investments

(Strategic Investments : Primarily resource investments and investments in overseas steel manufacturers, etc.)

( ) indicates Return on Investment

Cumulative investments	→	Cumulative contributions from 8th MTP to 10th MTP
Approx. 26.1bn yen		Approx. 6.7bn yen (Approx. 5.4%)

- Samancor (which recorded an impairment loss in FY2019) is excluded from the aggregate figures.
- The data collection period for "Cumulative contributions" is as follows:
  - ✓ 8th MTP : FY2016 ~ FY2019
  - ✓ 9th MTP : FY2020 ~ FY2022
  - ✓ 10th MTP : FY2023 ~ FY2025

  (*10th MTP covers only the results for FY2023 and FY2024.)

3. Details by Business Segment

Steel Business Segment

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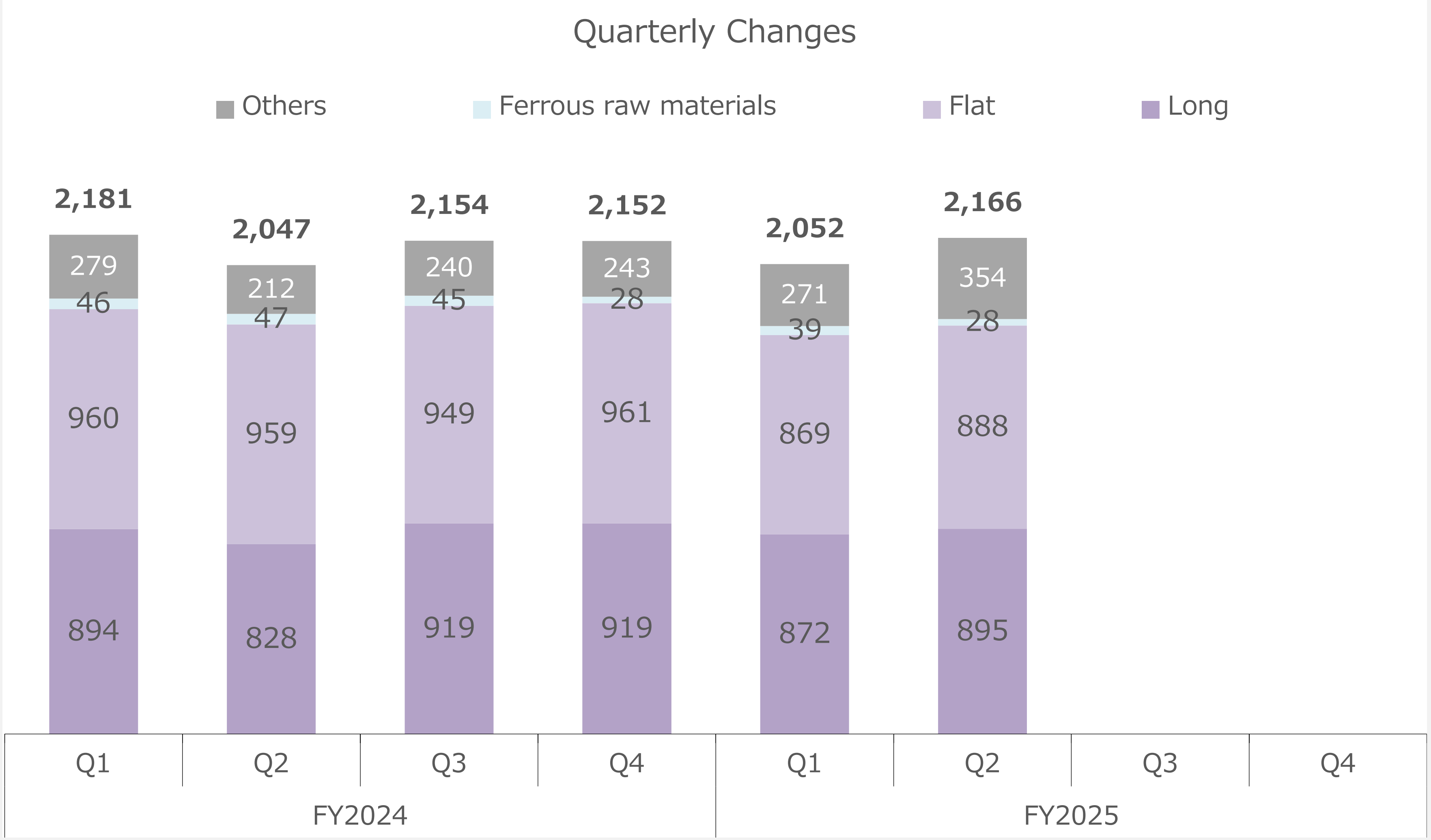
- Decrease in transaction volume and falling prices of various steel products exerted downward pressure on sales.
- Profit increased due to steady sales of construction materials, solid performance in the domestic construction sector and improved profitability in some overseas subsidiaries.

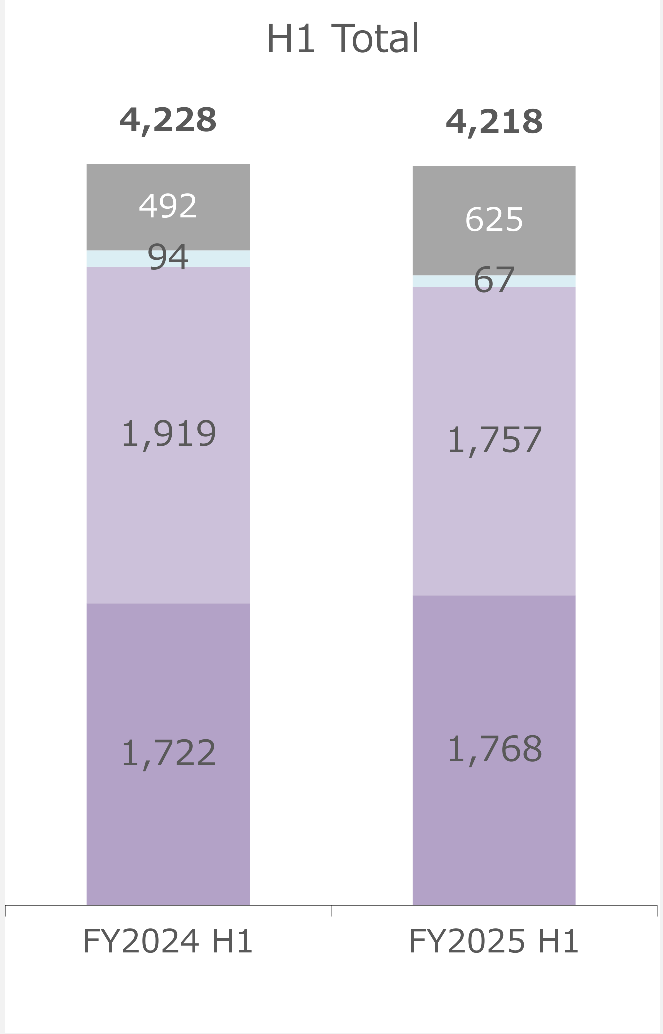
(billions of yen)	FY2024 Q1	FY2024 Q2	FY2024 Q3	FY2024 Q4	FY2024 Total	FY2025 Q1	FY2025 Q2	FY2025 Q3	FY2025 Q4	FY2025 Total	YoY Change (YoY Rate)
Net Sales	293.9	290.0	289.3	281.8	1,155.2	270.0	270.6	–	–	540.6	-43.3 (-7%)
Ordinary income	7.7	6.4	9.4	9.4	**33.1**	9.7	7.1	–	–	**16.9**	+2.7 (+20%)
Parent only	7.1	6.2	7.8	7.7	**29.0**	8.5	6.6	–	–	**15.2**	+1.8 (+14%)
Domestic consolidated subsidiaries	0.9	1.0	1.1	0.7	**3.8**	0.7	0.9	–	–	**1.7**	-0.2 (-12%)
Overseas consolidated subsidiaries	0.3	-0.4	0.6	1.1	**1.6**	0.8	0.8	–	–	**1.7**	+1.8 (–)
Equity in earnings of affiliates	0.3	-0.0	-0.1	-0.0	**0.0**	0.5	-0.7	–	–	**-0.2**	-0.4 (–)
Adjustment	-1.0	-0.3	-0.0	-0.1	**-1.4**	-0.9	-0.5	–	–	**-1.5**	-0.1 (–)

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

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- Net sales were driven by the steady sales of certain auxiliary materials.
- Profit decreased due to equity in losses from SAMANCOR CHROME HOLDINGS PROPRIETARY LTD.

	FY2024					FY2025					YoY Change
(billions of yen)	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	(YoY Rate)
Net Sales	45.8	53.8	43.0	41.4	184.2	55.1	53.9	–	–	109.0	+9.3 (+9%)
Ordinary income	1.1	2.2	-0.4	3.0	**6.0**	-0.5	-0.6	–	–	**-1.2**	-4.6 (–)
Parent only	0.8	1.6	1.2	0.5	**4.3**	1.2	0.2	–	–	**1.4**	-1.1 (-43%)
Domestic consolidated subsidiaries	-0.0	-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	-0.8	–	–	**-2.7**	-3.5 (–)
Adjustment	-0.0	-0.0	–	0.0	**-0.0**	-0.0	–	–	–	**-0.0**	+0.0 (–)

Primary Metal Business Segment

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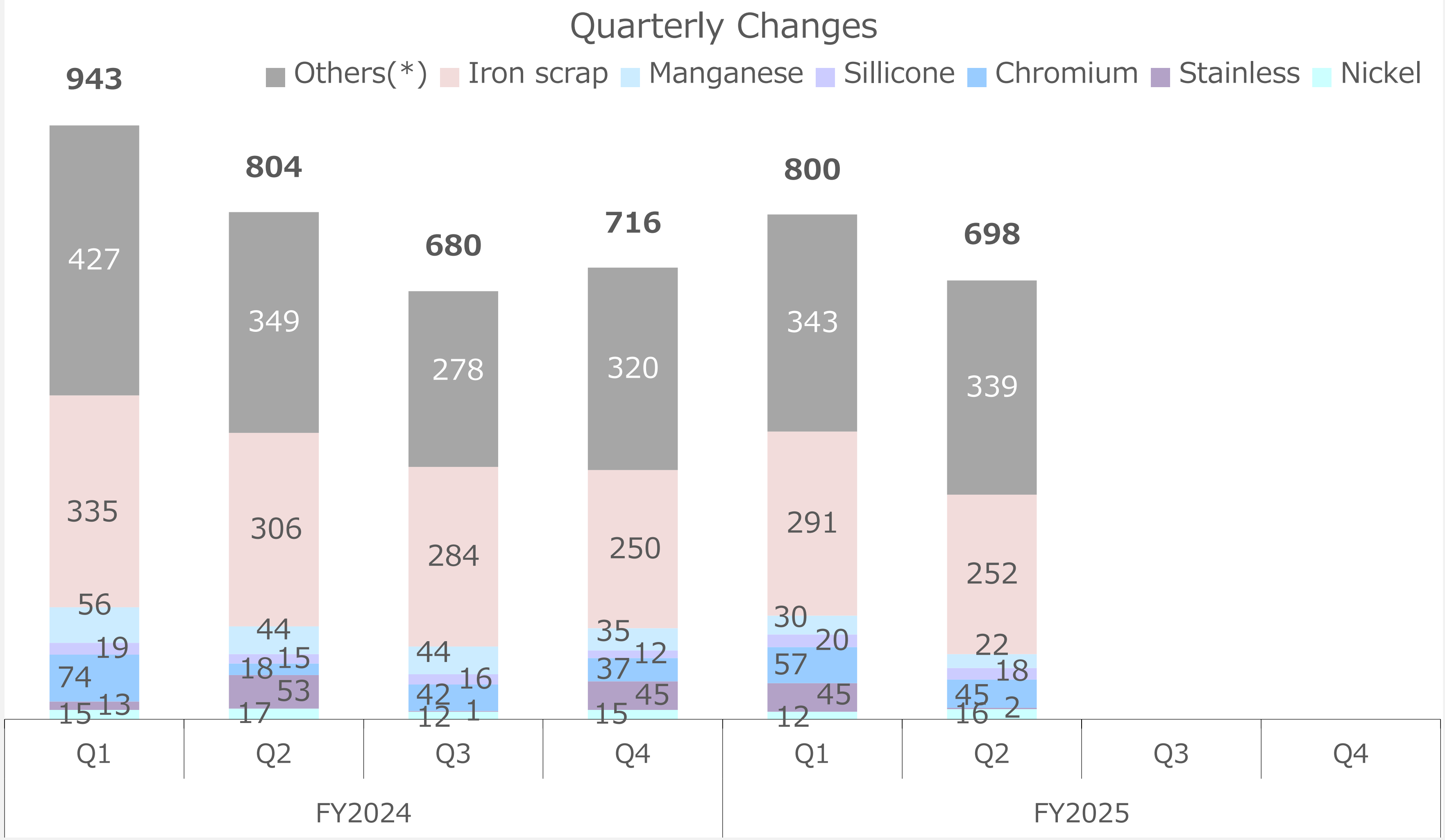
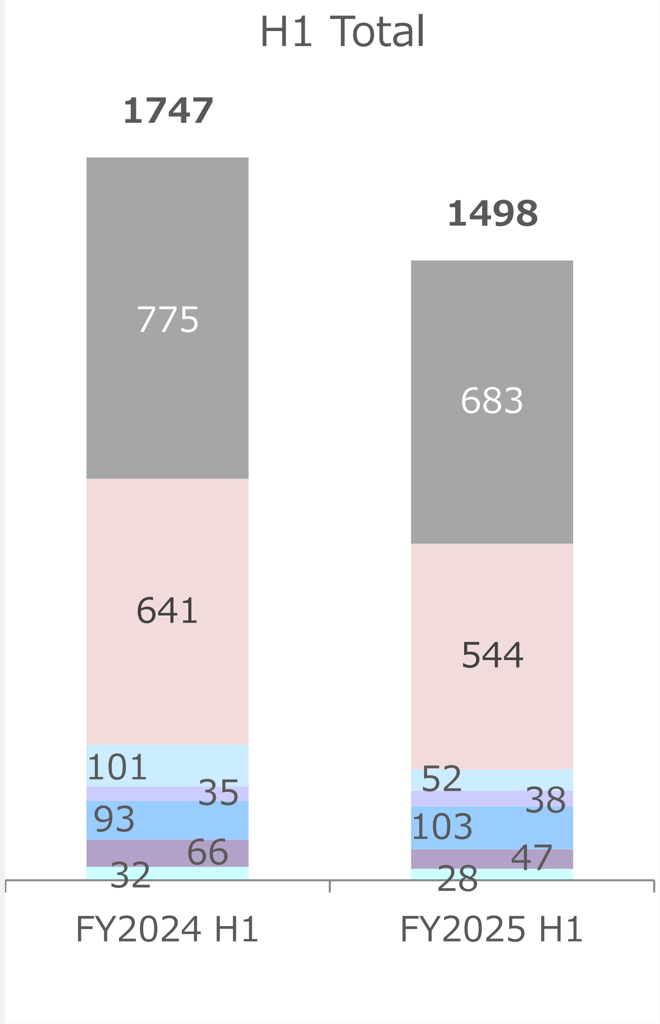
Trend of Transaction Volume (Unconsolidated)

(thousand tons)





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

Metal Recycling Business Segment

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- Net sales were driven by an increase in transaction volume of precious metal materials.
- Profit decreased due to the deterioration in the profitability of aluminum and copper.

(billions of yen)	FY2024 Q1	FY2024 Q2	FY2024 Q3	FY2024 Q4	FY2024 Total	FY2025 Q1	FY2025 Q2	FY2025 Q3	FY2025 Q4	FY2025 Total	YoY Change (YoY Rate)
Net Sales	54.0	55.0	69.4	48.2	226.8	64.0	63.3	–	–	127.4	+18.2 (+17%)
Ordinary income	0.7	0.7	1.4	0.1	**3.0**	-0.0	0.3	–	–	**0.2**	-1.2 (-83%)
Parent only	0.5	0.6	1.3	0.0	**2.5**	-0.2	0.2	–	–	**0.0**	-1.1 (-94%)
Domestic consolidated subsidiaries	0.2	-0.0	0.0	0.1	**0.5**	0.1	0.0	–	–	**0.1**	-0.1 (-44%)
Overseas consolidated subsidiaries	-0.0	-0.0	0.0	-0.0	**-0.1**	-0.0	-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**	+0.0 (+52%)
Adjustment	-0.0	0.0	-0.0	0.0	**0.0**	-0.0	0.0	–	–	**0.0**	-0.0 (▲ 53%)

Metal Recycling Business Segment

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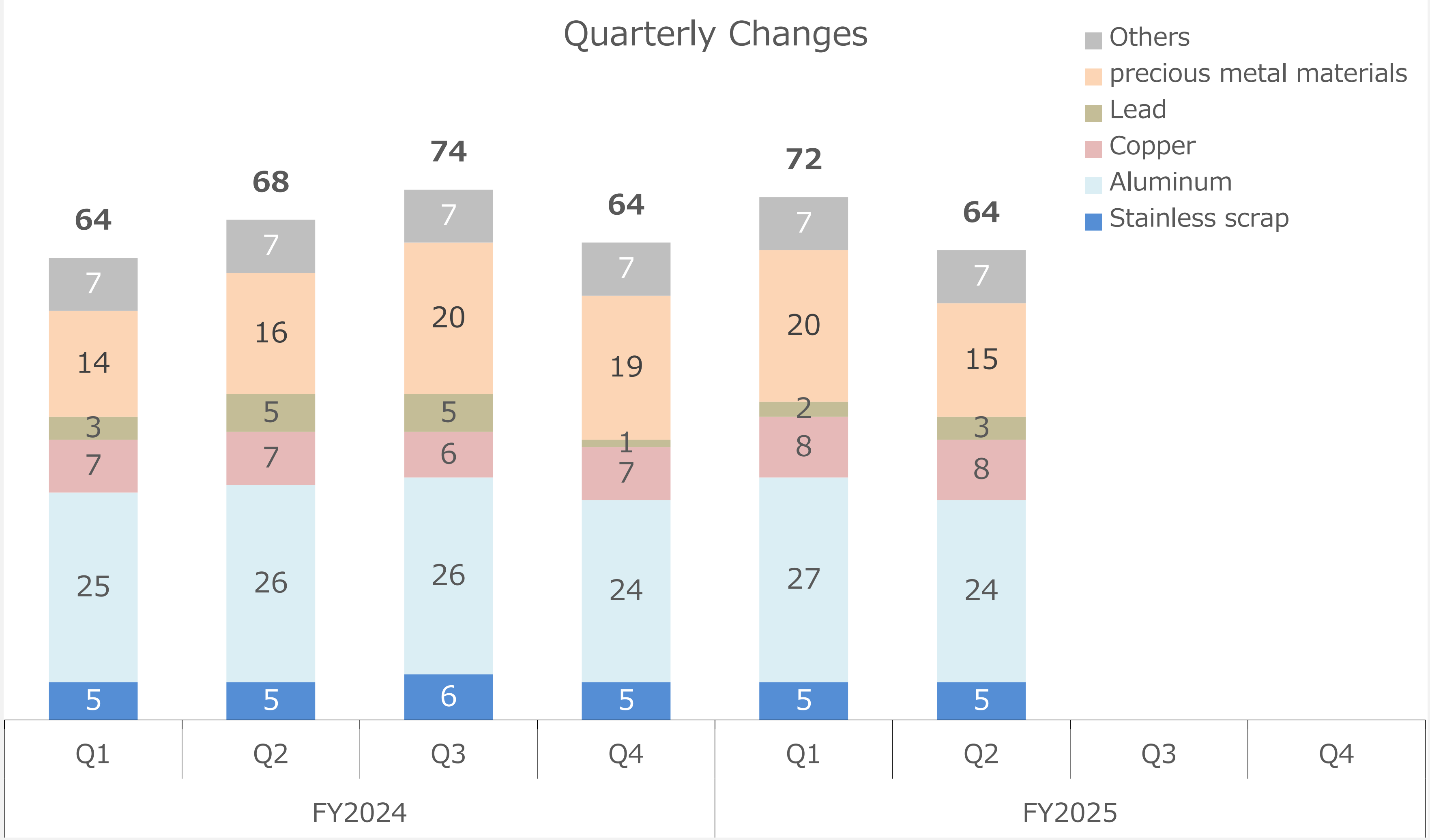
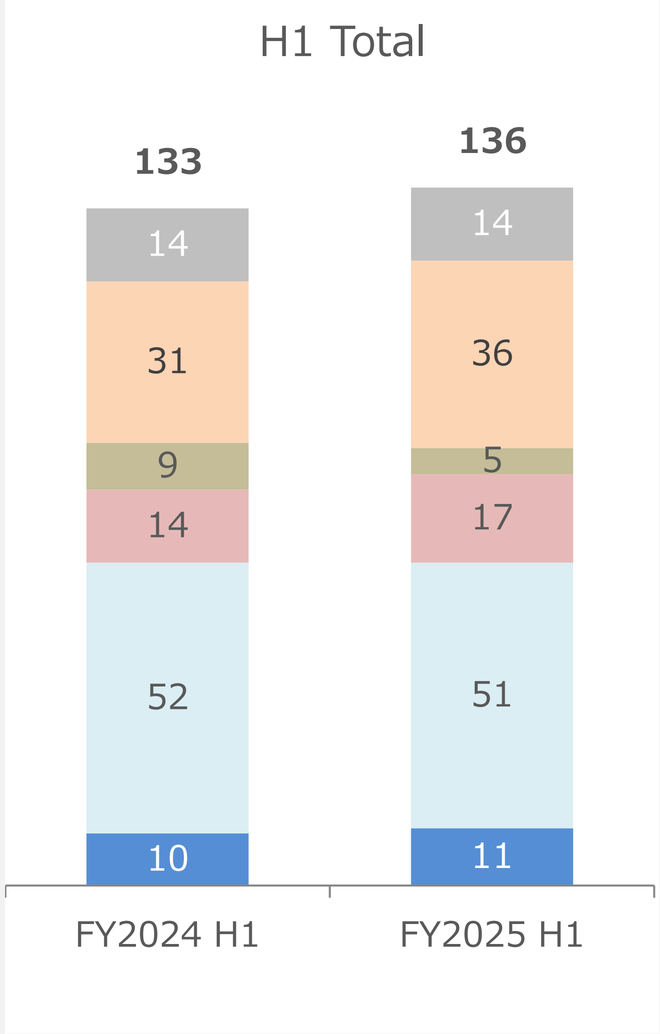
Trend of Transaction Volume (Unconsolidated)

(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

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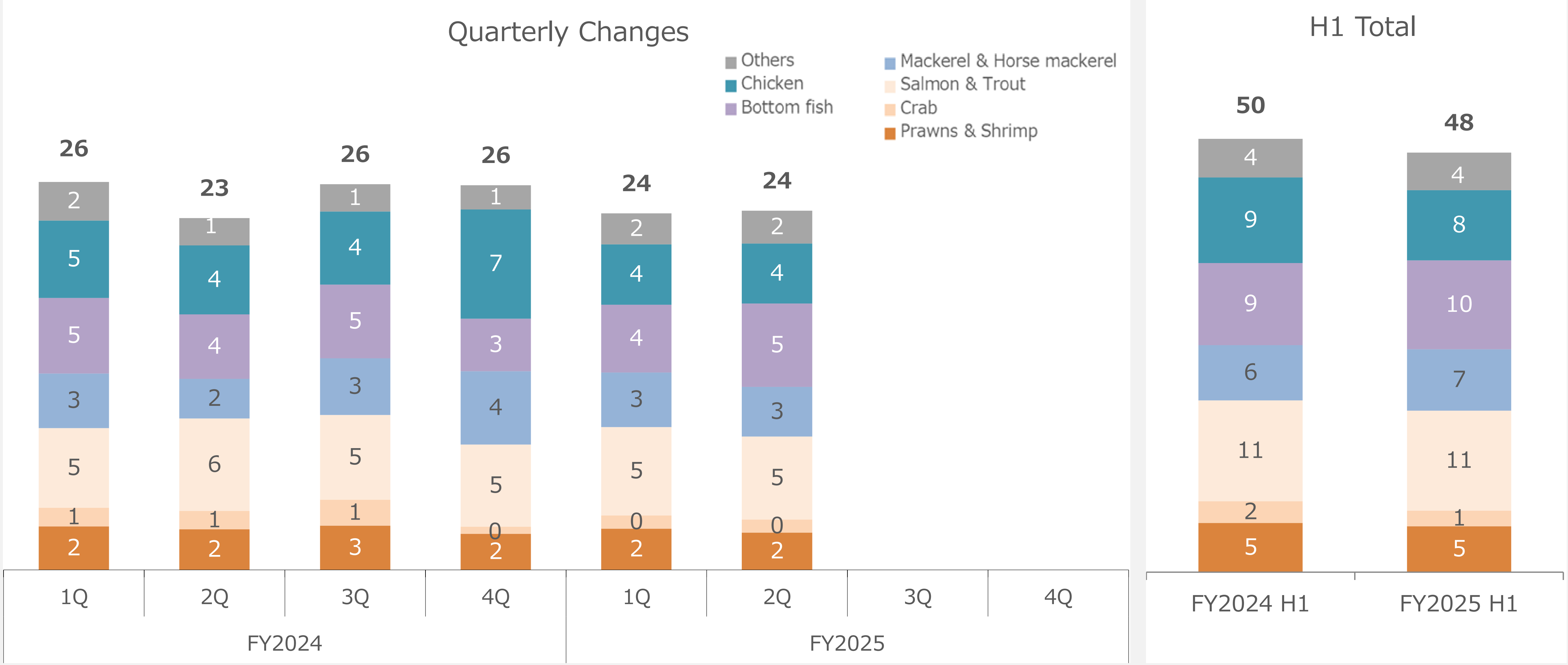
- Net sales and profit increased due to the sales growth to food service industry in an US subsidiary and the contribution from the newly included subsidiary.

(billions of yen)	FY2024 Q1	FY2024 Q2	FY2024 Q3	FY2024 Q4	FY2024 Total	FY2025 Q1	FY2025 Q2	FY2025 Q3	FY2025 Q4	FY2025 Total	YoY Change (YoY Rate)
Net Sales	29.3	36.5	42.1	32.4	140.4	35.6	35.9	–	–	71.5	+5.6 (+9%)
Ordinary income	0.3	0.4	1.4	0.0	**2.3**	0.9	0.8	–	–	**1.8**	+1.0 (+128%)
Parent only	0.5	0.1	1.0	0.1	**1.8**	0.1	0.3	–	–	**0.5**	-0.1 (-20%)
Domestic consolidated subsidiaries	0.0	0.0	0.3	-0.0	**0.3**	0.5	0.4	–	–	**1.0**	+0.9 (+912%)
Overseas consolidated subsidiaries	0.0	0.1	-0.0	0.1	**0.3**	0.2	0.1	–	–	**0.4**	+0.2 (+112%)
Equity in earnings of affiliates	–	–	–	–	**–**	–	–	–	–	**–**	– (–)
Adjustment	-0.2	0.1	0.0	-0.1	**-0.2**	-0.0	-0.0	–	–	**-0.1**	+0.0 (–)

Foods Business Segment

Trend of Transaction Volume (Unconsolidated)

(thousand tons)



Energy & Living Materials Business Segment

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- Net sales increased due to strong sales of wood pellets and PKS (Palm Kernel Shell).
- Profit decreased due to the absence of significant one-time derivative valuation gains recorded at the previous fiscal year-end.

(billions of yen)	FY2024					FY2025					YoY Change
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	(YoY Rate)
Net Sales	93.6	90.9	99.8	107.3	391.6	93.6	92.3	–	–	185.9	+1.4 (+1%)
Ordinary income	1.4	3.6	2.4	2.7	**10.4**	2.4	1.4	–	–	**3.9**	-1.1 (-23%)
Parent only	1.9	2.6	2.6	1.8	**9.0**	2.6	1.3	–	–	**4.0**	-0.5 (-12%)
Domestic consolidated subsidiaries	-0.3	0.9	-0.1	0.8	**1.4**	0.3	0.0	–	–	**0.3**	-0.2 (-40%)
Overseas consolidated subsidiaries	–	–	–	–	**–**	–	–	–	–	**–**	– (–)
Equity in earnings of affiliates	0.0	0.0	0.0	-0.0	**0.0**	0.0	0.0	–	–	**0.0**	+0.0 (+7%)
Adjustment	-0.1	-0.0	-0.0	0.0	**-0.1**	-0.5	-0.0	–	–	**-0.5**	-0.3 (–)

Energy & Living Materials Business Segment

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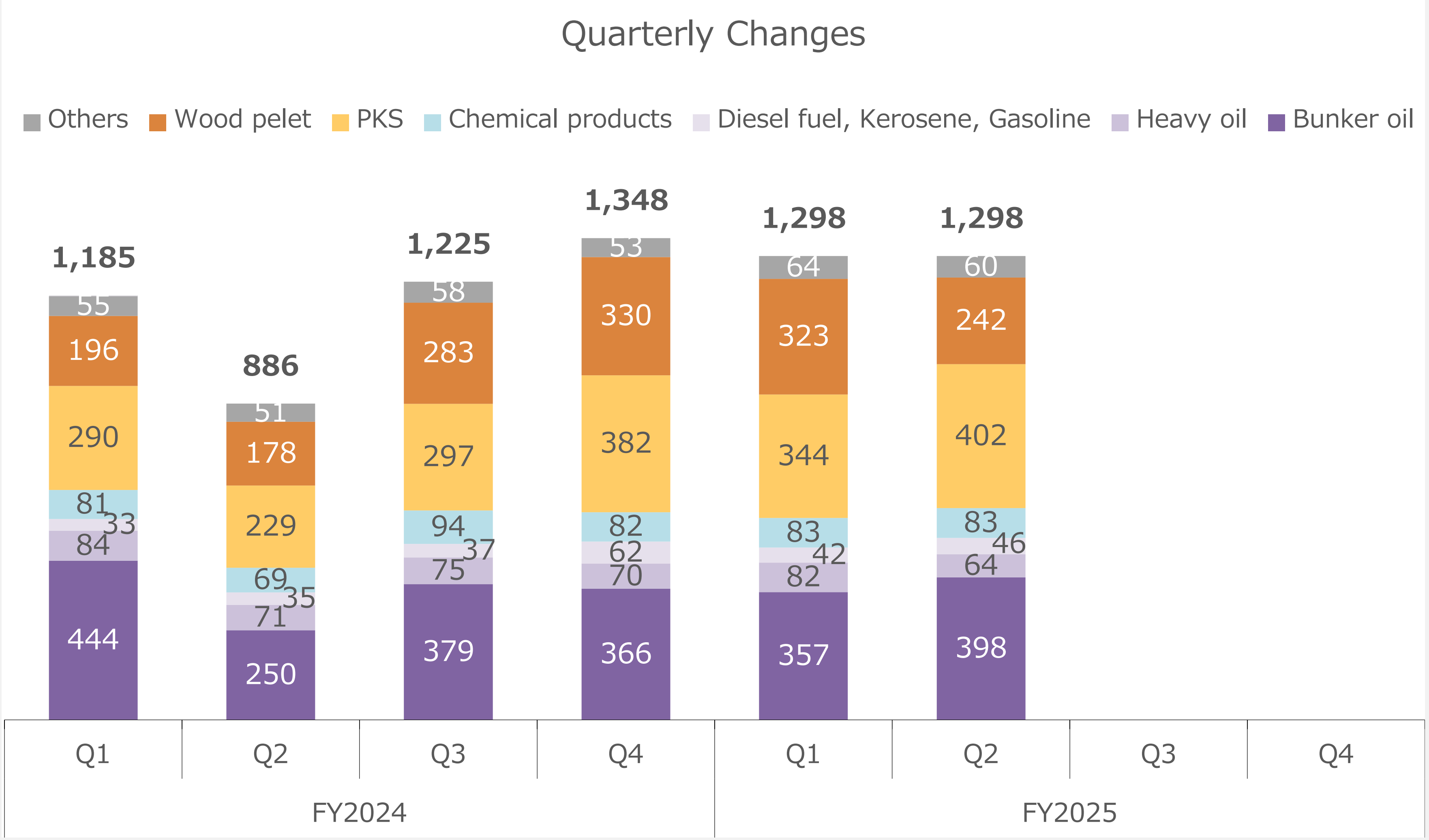
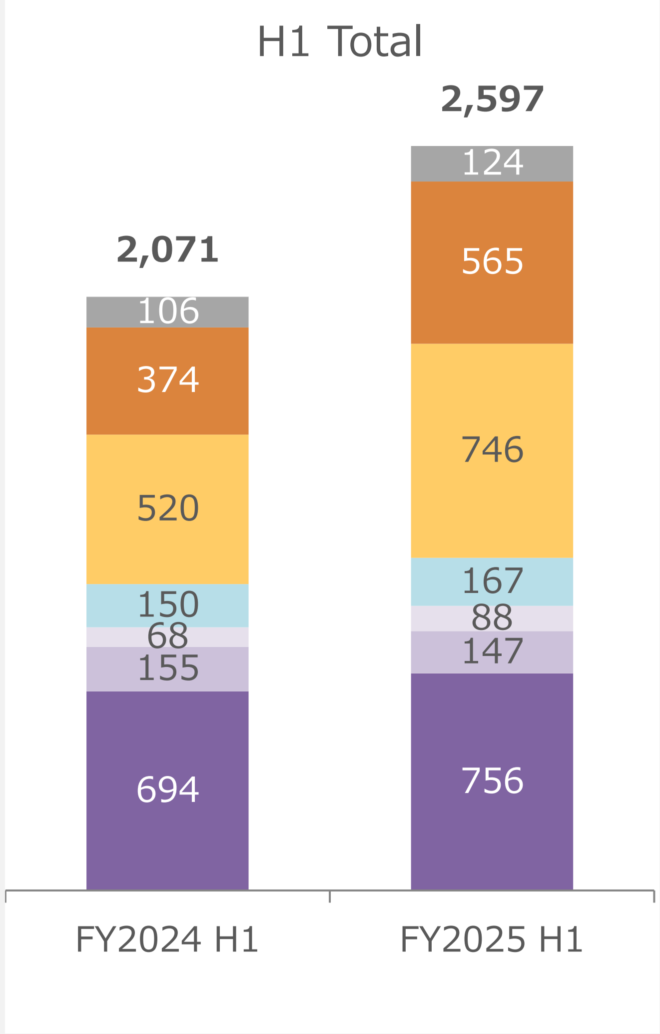
Trend of Transaction Volume (Unconsolidated)

(thousand tons)





Overseas Sales Subsidiaries Segment

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- Scrap trading expanded in Southeast Asia, and the performance of newly consolidated subsidiaries boosted net sales.
- Profit decreased due to the deterioration mainly in the profitability of steel products.

(billions of yen)	FY2024					FY2025					YoY Change
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	(YoY Rate)
Net Sales	97.5	108.4	116.2	119.1	441.3	118.4	126.9	–	–	245.3	+39.4 (+19%)
Ordinary income	1.6	2.0	2.5	2.0	**8.2**	1.8	1.5	–	–	**3.3**	-0.3 (-10%)
ASEAN	1.1	1.3	1.7	1.4	**5.6**	1.2	0.9	–	–	**2.1**	-0.2 (-12%)
East Asia	0.1	0.1	0.2	0.3	**0.8**	0.1	0.1	–	–	**0.2**	+0.0 (+17%)
North America	0.3	0.4	0.5	0.4	**1.7**	0.3	0.3	–	–	**0.6**	-0.1 (-21%)
Others	0.0	0.1	0.0	-0.1	**0.0**	0.1	0.0	–	–	**0.1**	-0.0 (-0%)
Adjustment	0.0	-0.0	-0.0	-0.0	**-0.0**	0.0	0.0	–	–	**0.0**	+0.0 (–)

Overseas Sales Subsidiaries Segment

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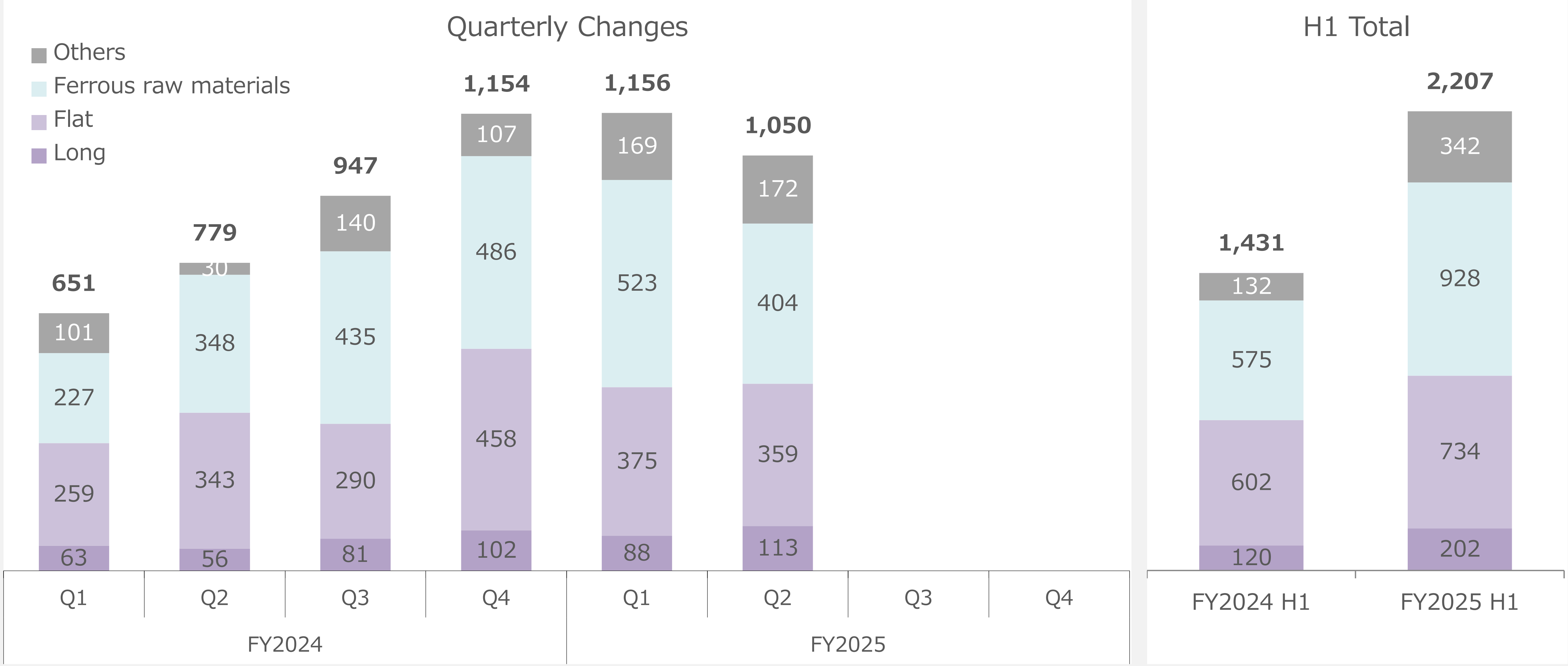
(thousand tons)

Trend of Steel Transaction Volume (Sum of Overseas Sales Subsidiaries)



Other Segment

- Housing Materials: Profit decreased mainly due to the sluggish European lumber market.
- Machinery: The number of completed projects in the industrial machinery sector increased.

(billions of yen)	FY2024 Q1	FY2024 Q2	FY2024 Q3	FY2024 Q4	FY2024 Total	FY2025 Q1	FY2025 Q2	FY2025 Q3	FY2025 Q4	FY2025 Total	YoY Change (YoY Rate)
Net Sales	32.0	33.3	34.2	34.0	133.7	31.2	31.8	–	–	63.1	-2.2 (-3%)
Ordinary income	0.9	0.1	0.4	0.8	**2.4**	0.6	0.4	–	–	**1.0**	-0.0 (-2%)
Parent only	0.8	-0.1	0.3	0.5	**1.6**	0.6	0.2	–	–	**0.9**	+0.2 (+29%)
Domestic consolidated subsidiaries	0.1	0.2	0.2	0.4	**1.0**	0.2	0.3	–	–	**0.5**	+0.1 (+29%)
Overseas consolidated subsidiaries	–	–	–	–	**–**	–	–	–	–	**–**	– (–)
Equity in earnings of affiliates	–	–	–	–	**–**	–	–	–	–	**–**	– (–)
Adjustment	–	-0.0	-0.1	-0.1	**-0.2**	-0.2	-0.1	–	–	**-0.3**	-0.3 (–)

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 Full Year Forecast
			Inventory Valuation	Derivative Valuation	Foreign Exchange Valuation	One-time Factors		
Steel	540.6	16.9	0.0	–	–	-0.0	16.9	58%
Primary Metal	109.0	-1.2	0.0	0.0	–	–	-1.2	–
Metal Recycling	127.4	0.2	0.0	-0.6	–	–	0.9	27%
Foods	71.5	1.8	-0.1	–	–	–	1.9	66%
Energy & Living Materials	185.9	3.9	-0.0	-0.1	–	–	4.1	34%
Overseas Sales Subsidiaries	245.3	3.3	0.0	-0.1	–	0.1	3.3	44%
Other	63.1	1.0	-0.0	–	–	–	1.1	46%
Adjustment	-64.0	-2.3	–	–	-0.0	–	-2.2	–
Total	1,279.1	23.8	-0.1	-0.9	-0.0	0.1	24.8	45%

Run Up to HANWA 2030

HANWA CO., LTD.