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November 6, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: HANWA CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 8078
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Scheduled date to file semi-annual securities report: November 6, 2026
Scheduled date to commence dividend payments: December 2, 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 six months ended September 30, 2026 (from April 1, 2026 to September 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	1,476,934	15.5	36,813	32.8	35,738	49.8	23,007	37.5
September 30, 2025	1,279,141	1.6	27,717	(4.0)	23,856	(15.2)	16,734	(17.2)

Note: Comprehensive income For the six months ended September 30, 2026: ¥ 30,289 million [102.4%]
For the six months ended September 30, 2025: ¥ 14,964 million [(19.7)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	119.15	-
September 30, 2025	83.58	-

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
September 30, 2026	1,302,242	456,099	34.3	2,329.18
March 31, 2026	1,212,662	432,951	35.3	2,197.63

Reference: Equity
As of September 30, 2026: ¥ 446,727 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	-	33.00			
Fiscal year ending March 31, 2027 (Forecast)			-	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	70,000	19.8	65,000	24.4	45,000	17.6	234.62

Note: Revisions to the financial result forecast most recently announced: Yes

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 16 companies(HKG TRADING CO., LTD. and 15 other companies)

Excluded: 0 companies( )

(2) Adoption of accounting treatment specific to the preparation of semi-annual 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 September 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 September 30, 2026	19,866,741 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)

Six months ended September 30, 2026	193,107,730 shares
Six months ended September 30, 2025	200,228,776 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.

* Semi-annual financial results reports are exempt from review 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 six 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, amid continued price increases, personal consumption maintained a moderate upward trend, and the economy remained resilient, supported by business activity and capital investment driven by robust AI-related demand. In Europe, although the economy was affected by accelerating inflation driven by higher resource prices, it was supported by increased fiscal spending, among other factors. In China, although exports remained strong, a sluggish real estate market and weak domestic demand continued to constrain the pace of economic recovery. In ASEAN countries, although economic performance varied by country, growth remained generally firm against the backdrop of expanding external demand.

In the Japanese economy, a gradual recovery trend continued, supported by resilient personal consumption and progress in passing on higher costs to selling prices. Meanwhile, persistent inflationary pressure 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 six months of the consolidated fiscal year, net sales increased by 15.5% YoY, to 1,476.9 billion yen, because commodity prices such as non-ferrous metals and crude oil remained at high levels. Operating profit increased by 32.8% YoY, to 36.8 billion yen, mainly due to the improvement in the profit margins of the Energy & Living Materials business and the Metal Recycling business. Ordinary profit increased by 49.8% YoY, to 35.7 billion yen and net profit attributable to owners of the parent increased by 37.5% YoY, to 23.0 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 COSMOSTEEL 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 2.1% YoY, to 552.1 billion yen, segment profit decreased by 5.7% YoY, to 16.5 billion yen.

Primary Metal

Net sales increased, due to copper prices rising compared with the same period of the previous fiscal year. Also, segment profit increased as the share of profit(loss) of entities accounted for using the equity method from SAMANCOR CHROME HOLDINGS PROPRIETARY LTD. turned positive. Net sales of this segment increased by 12.1% YoY, to 122.2 billion

yen, segment profit was 1.8 billion yen (segment loss of 1.2 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 minor metals, 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 38.8% YoY, to 176.8 billion yen, segment profit was 4.6 billion yen (segment profit of 0.2 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 and the performance of newly consolidated subsidiaries contributed. On the other hand, segment profit decreased, mainly due to a decrease in the transaction volume of salmon. Net sales of this segment increased by 11.9% YoY, to 80.1 billion yen, segment profit decreased by 2.1% YoY, to 1.8 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 despite an unstable supply-demand environment. Net sales of this segment increased by 29.5% YoY, to 240.8 billion yen, segment profit increased by 117.7% YoY, to 8.6 billion yen.

Overseas Sales Subsidiaries

Net sales and segment profit increased, due to the increase in sales volume of steel products and non-ferrous metal raw materials in Southeast Asia. Net sales of this segment increased by 27.8% YoY, to 313.4 billion yen, segment profit increased by 15.4% YoY, to 3.1 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 6.4% YoY, to 67.2 billion yen, and segment profit decreased by 15.7% YoY, to 0.8 billion yen.

(2) Overview of Financial Position

(Financial Position)

Total assets increased by 7.4% to 1,302.2 billion yen from the end of the previous fiscal year, mainly due to the increase in inventories and trade receivables.

Liabilities increased by 8.5% to 846.1 billion yen from the end of the previous fiscal year, mainly due to the increase in short-term borrowings and bonds payable. As interest-bearing debt increased by 18.1% to 427.2 billion yen, net debt-equity ratio was turned into 79% (*70%).

Total net assets increased by 5.3% to 456.0 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 fell to 34.3% (*36.2%), from34.6%(*36.8%) at the end of the previous fiscal year.

*Reflecting equity credit attributes of the subordinated loan.

(Cash Flow)

During the six months of the consolidated fiscal year, cash flows from operating activities decreased by 15.9 billion yen, mainly due to the decrease in trade payables and the increase in inventory. On the other hand, cash flows from investing activities decreased by 48.7 billion yen, mainly due to payments for the acquisition of equity interests in subsidiaries resulting in change in scope of consolidation and property, plant and equipment. Cash flows from financing activities increased by 51.8 billion yen, mainly due to proceeds from short-term borrowings and the issuance of bonds. As a result, cash and cash equivalents at the end of the six months of the consolidated fiscal year decreased by 11.4 billion yen from the end of the previous fiscal year to 74.0 billion yen.

(3) Explanation of Consolidated Financial Future Forecast

Regarding the consolidated earnings forecast, we have revised the full-year consolidated earnings forecast announced on May 12, 2026. This revision reflects operating results for the six months of the consolidated fiscal year that exceeded our initial expectations, as well as the results of a detailed review of our outlook in light of the current business environment, and other factors.

We now expect net sales of 3,000.0 billion yen (up 12.7% YoY), operating profit of 70.0 billion yen (up 19.8% YoY), ordinary profit of 65.0 billion yen (up 24.4% YoY), and profit attributable to owners of parent of 45.0 billion yen (up 17.6% YoY).

For the forecast of ordinary profit by segment and the main reasons for the changes from the previous forecast, please refer to the " Outline of Financial Results for the Six Months ended September 30, 2026" released today.

Revision of Consolidated Financial Results Forecast for FY2026 (April 1, 2026~March 31, 2027)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	billion yen 3,000	billion yen 62.5	billion yen 57.0	billion yen 40.0	yen 205.64
New forecast (B)	3,000	70.0	65.0	45.0	234.62
Change (B – A)	—	7.5	8.0	5.0	—
% Change	—	12.0	14.0	12.5	—
Ref. FY2025 (Apr 1, 2025 - Mar 31, 2026)	2,662	58.4	52.2	38.2	193.13

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	85,672	74,240
Notes and accounts receivable - trade, and contract assets	404,984	433,436
Electronically recorded monetary claims - operating	90,400	81,945
Inventories	291,370	323,573
Other	58,236	57,684
Allowance for doubtful accounts	(1,958)	(2,057)
Total current assets	928,704	968,822
Non-current assets		
Property, plant and equipment		
Land	39,574	50,395
Other, net	47,153	57,350
Total property, plant and equipment	86,727	107,746
Intangible assets		
Goodwill	1,992	20,571
Other	7,291	18,358
Total intangible assets	9,284	38,930
Investments and other assets		
Investment securities	145,011	144,401
Other	44,730	44,369
Allowance for doubtful accounts	(1,795)	(2,028)
Total investments and other assets	187,946	186,743
Total non-current assets	283,958	333,420
Total assets	1,212,662	1,302,242

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	298,853	285,137
Electronically recorded obligations - operating	30,749	29,317
Short-term borrowings	68,470	114,505
Commercial papers	-	10,000
Current portion of bonds payable	10,000	-
Income taxes payable	4,972	11,667
Provision for bonuses	4,787	5,264
Provision for product warranties	40	51
Other	49,280	47,955
Total current liabilities	467,154	503,898
Non-current liabilities		
Bonds payable	35,000	55,000
Long-term borrowings	238,405	238,573
Retirement benefit liability	2,788	3,579
Other	36,362	45,091
Total non-current liabilities	312,557	342,244
Total liabilities	779,711	846,143
Net assets		
Shareholders' equity		
Share capital	45,651	45,651
Capital surplus	1,468	1,532
Retained earnings	328,598	345,364
Treasury shares	(15,508)	(20,419)
Total shareholders' equity	360,209	372,128
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	38,575	38,520
Deferred gains or losses on hedges	(13)	2,523
Revaluation reserve for land	1,285	1,285
Foreign currency translation adjustment	21,684	26,821
Remeasurements of defined benefit plans	5,739	5,447
Total accumulated other comprehensive income	67,271	74,598
Non-controlling interests	5,470	9,371
Total net assets	432,951	456,099
Total liabilities and net assets	1,212,662	1,302,242

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Net sales	1,279,141	1,476,934
Cost of sales	1,211,607	1,394,293
Gross profit	67,533	82,641
Selling, general and administrative expenses	39,816	45,828
Operating profit	27,717	36,813
Non-operating income		
Interest income	1,933	1,836
Dividend income	1,343	1,536
Share of profit of entities accounted for using equity method	-	1,360
Other	1,069	1,121
Total non-operating income	4,346	5,856
Non-operating expenses		
Interest expenses	3,770	4,251
Share of loss of entities accounted for using equity method	2,746	-
Foreign exchange losses	549	826
Other	1,141	1,853
Total non-operating expenses	8,207	6,930
Ordinary profit	23,856	35,738
Extraordinary income		
Gain on sale of investment securities	123	-
Total extraordinary income	123	-
Extraordinary losses		
Loss on sale of investment securities	197	-
Loss on valuation of investment securities	-	227
Total extraordinary losses	197	227
Profit before income taxes	23,782	35,511
Income taxes	7,685	12,152
Profit	16,097	23,358
Profit attributable to		
Profit attributable to owners of parent	16,734	23,007
Profit (loss) attributable to non-controlling interests	(637)	350
Other comprehensive income		
Valuation difference on available-for-sale securities	4,081	(281)
Deferred gains or losses on hedges	(372)	2,536
Foreign currency translation adjustment	(2,717)	2,721
Remeasurements of defined benefit plans, net of tax	59	(264)
Share of other comprehensive income of entities accounted for using equity method	(2,184)	2,218
Total other comprehensive income	(1,132)	6,930
Comprehensive income	14,964	30,289
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,957	29,709
Comprehensive income attributable to non-controlling interests	(993)	580

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	23,782	35,511
Depreciation	4,539	4,905
Amortization of goodwill	284	343
Increase (decrease) in allowance for doubtful accounts	(182)	31
Interest and dividend income	(3,276)	(3,373)
Interest expenses	3,770	4,251
Share of loss (profit) of entities accounted for using equity method	2,746	(1,360)
Gain on sales of investment securities	(123)	-
Loss on sales of investment securities	197	-
Loss on valuation of investment securities	-	227
Decrease (increase) in accounts receivable - trade, and contract assets	15,103	5,845
Decrease (increase) in inventories	21,701	(22,206)
Increase (decrease) in trade payables	(15,939)	(28,790)
Increase/decrease in retirement benefit asset or liability	222	(52)
Other, net	(1,035)	(4,761)
Subtotal	51,789	(9,428)
Interest and dividends received	3,643	3,403
Interest paid	(3,725)	(4,231)
Income taxes refund (paid)	(12,616)	(5,727)
Net cash provided by (used in) operating activities	39,091	(15,984)
Cash flows from investing activities		
Payments into time deposits	(84)	(0)
Proceeds from withdrawal of time deposits	136	4
Purchase of property, plant and equipment	(2,187)	(12,345)
Proceeds from sale of property, plant and equipment	649	25
Purchase of investment securities	(6,217)	(469)
Proceeds from sale and redemption of investment securities	512	166
Purchase of equity interests of subsidiaries resulting in a change in scope of consolidation	-	(34,822)
Net decrease (increase) in short-term loans receivable	(6,070)	(608)
Long-term loan advances	(2)	(16)
Proceeds from collection of long-term loans receivable	10,437	36
Other, net	(190)	(723)
Net cash provided by (used in) investing activities	(3,018)	(48,752)

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(18,158)	44,130
Net increase (decrease) in commercial papers	-	10,000
Proceeds from long-term borrowings	5,000	-
Repayments of long-term borrowings	(5,088)	(81)
Proceeds from issuance of bonds	-	19,909
Redemption of bonds	-	(10,000)
Purchase of treasury shares	(4,163)	(5,007)
Dividends paid	(4,860)	(6,406)
Dividends paid to non-controlling interests	(100)	(175)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(198)	-
Other, net	(537)	(566)
Net cash provided by (used in) financing activities	(28,106)	51,803
Effect of exchange rate change on cash and cash equivalents	1,927	(2,904)
Net increase (decrease) in cash and cash equivalents	9,892	(15,838)
Cash and cash equivalents at beginning of period	65,263	85,505
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	2,751	4,411
Cash and cash equivalents at end of period	77,907	74,077

(4) Notes to Semi-annual Consolidated Financial Statements

(Note on going concern assumption)

None

(Note to significant changes in shareholders' equity)

The Company has acquired 2,813,500 shares of treasury shares during the six months ended September 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 shares increased by 4,910 million yen, resulting in treasury shares of 20,419 million yen as of September 30, 2026.

(Application of particular accounting procedures for the semi-annual consolidated financial statements)

Calculation of tax expenses

Income taxes are determined based on the amount of profit before income taxes for the six months ended September 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 six months ended September 30, 2025 and 2026, is as follows:

Six Months ended September 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	523,639	100,827	125,551	71,066	183,634	212,853	1,217,573	61,567	1,279,141	—	1,279,141
Intersegment	17,026	8,224	1,860	511	2,318	32,475	62,417	1,612	64,029	(64,029)	—
Total	540,666	109,051	127,411	71,578	185,953	245,329	1,279,990	63,180	1,343,171	(64,029)	1,279,141
Segment profit(loss)	17,562	(1,222)	249	1,848	3,969	2,722	25,129	1,053	26,183	(2,326)	23,856

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 (¥2,326) 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.

Six Months ended September 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	522,172	113,657	176,259	79,226	234,315	285,986	1,411,618	65,316	1,476,934	—	1,476,934
Intersegment	29,993	8,561	607	879	6,533	27,485	74,061	1,922	75,984	(75,984)	—
Total	552,166	122,219	176,866	80,106	240,849	313,471	1,485,680	67,239	1,552,919	(75,984)	1,476,934
Segment profit	16,566	1,883	4,601	1,809	8,643	3,142	36,646	888	37,534	(1,796)	35,738

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 (¥1,796) million for segment profit 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 is adjusted between ordinary profit on the consolidated statements of income and comprehensive income.

② Information on assets by reportable segments

During the six months ended September 30, 2026, segment assets in the "Overseas Sales Subsidiaries" segment increased by ¥51,473 million from the end of the previous fiscal year due to the consolidation of subsidiaries, including ASSOCIATED STEEL GROUP, LLC. Provisional accounting treatment based on reasonable available information was adopted since the allocation of acquisition costs was not finalized as of September 30, 2026.

③ Information on impairment loss of non-current assets or goodwill by reportable segment

(Significant change in the amount of goodwill)

During the six months ended September 30, 2026, goodwill in the "Overseas Sales Subsidiaries" segment increased by ¥18,196 million due to the consolidation of subsidiaries, including ASSOCIATED STEEL GROUP, LLC. Provisional accounting treatment based on reasonable available information was adopted since the allocation of acquisition costs was not finalized as of September 30, 2026.

④ 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 six months ended September 30, 2025 has been recomposed by the new classification method.

(Significant subsequent events)

Making of an equity-method associate through the acquisition of shares

The Board of Directors meeting held on August 7, 2026, the Company resolved to acquire shares of common stock newly issued by Nakayama Steel Works, Ltd. through a third-party allotment. On October 2, 2026, the Company acquired those shares, making Nakayama Steel Works, Ltd. an equity-method associate.

1. Purpose of the acquisition of shares

(1) Strengthening collaboration in the steel raw materials field

(2) Cooperation in the sales and procurement in the steel products field

(3) Cooperation on the new electric arc furnace project

(4) Collaboration in other business areas to be agreed upon by both companies

2. Overview of the company whose shares were acquired

(1) Name: Nakayama Steel Works, Ltd.

(2) Location: 1-1-66 Funamachi, Taisho-ku, Osaka

(3) Description of business: Manufacture and sale of steel and secondary steel products, etc.

(4) Share capital: ¥21,941 million

(5) Date of establishment: December 22, 1923

3. Number of shares acquired and percentage of ownership after acquisition

(1) Number of shares acquired: 5,697,000 shares

(2) Percentage of ownership after acquisition: 20.48% (rounded to two decimal places)

(3) Acquisition cost: ¥3,794 million

Acquisition of the Company’s own shares

The Board of Directors meeting held on November 6, 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.

For details, please refer to the news release titled “Notice Regarding Share Repurchases” announced today (November 6, 2026).

November 6, 2026

Highlights of Consolidated Financial Results for the Fiscal year ended September 30, 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 September 30,2026

- During this consolidated fiscal year, net sales increased by 15% YoY, to 1,476.9 billion yen, because commodity prices such as non-ferrous metals and crude oil remained at high levels. Operating profit increased by 33% YoY, to 36.8 billion yen, mainly due to the improvement in the profit margins of the Energy & Living Materials business and the Metal Recycling business. Ordinary profit increased by 50% YoY, to 35.7 billion yen and net profit attributable to owners of the parent increased by 37% YoY, to 23.0 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	FY2025	FY2026	YoY Change	YoY Rate
Net sales	**1,279.1**	**1,476.9**	**197.7**	**15%**
Gross profit	**67.5**	**82.6**	**15.1**	**22%**
SG&A expenses	39.8	45.8	6.0	15%
Operating profit	**27.7**	**36.8**	**9.0**	**33%**
Non-operating income	4.3	5.8	1.5	35%
Non-operating expenses	8.2	6.9	(1.2)	(16%)
Ordinary profit	**23.8**	**35.7**	**11.8**	**50%**
Extraordinary income	0.1	—	(0.1)	—
Extraordinary losses	0.1	0.2	0.0	15%
Profit before income taxes	**23.7**	**35.5**	**11.7**	**49%**
Income taxes	7.6	12.1	4.4	58%
Profit	**16.0**	**23.3**	**7.2**	**45%**
Owners of the parent	16.7	23.0	6.2	37%
Non-controlling interests	(0.6)	0.3	0.9	—
EPS (yen)	83.58	119.15	35.57	43%
Comprehensive income	**14.9**	**30.2**	**15.3**	**102%**

Main Factors

(Net sales)
Net sales increased by 15% YoY, to 1,476.9 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 6.0 billion yen YoY, with 1.6 billion yen of this figure deriving from newly consolidated subsidiaries. Cost of labor increased by 2.6 billion yen YoY, with 0.9 billion yen of this figure deriving from newly consolidated subsidiaries.

(Non-operating income/expenses)
Non-operating income incrased by 1.5 billion yen and non-operating expenses decreased by 1.2 billion yen. The main impacts on ordinary profit were as follows.
Share of profit of entities accounted for using equity method : increased by 4.1 billion yen YoY
Interest expenses : increased of 0.4 billion yen YoY
Foreign exchange losses : increased of 0.2 billion yen YoY

(Extraordinary income/losses)
Profit on sale of investment securities : decreased by 0.1 billion yen YoY

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 FY2025	Net sales FY2026	Net sales Rate	Segment profit FY2025	Segment profit FY2026	Segment profit Rate
Steel	540.6	552.1	2%	17.5	16.5	(6%)
Primary Metal	109.0	122.2	12%	(1.2)	1.8	—
Metal Recycling	127.4	176.8	39%	0.2	4.6	—
Foods	71.5	80.1	12%	1.8	1.8	(2%)
Energy& Living Materials	185.9	240.8	30%	3.9	8.6	118%
Overseas Sales Subsidiaries	245.3	313.4	28%	2.7	3.1	15%
Total for reportable segments	1,279.9	1,485.6	16%	25.1	36.6	46%
Other	63.1	67.2	6%	1.0	0.8	(16%)
Total	**1,343.1**	**1,552.9**	**16%**	**26.1**	**37.5**	**43%**
Adjustment	(64.0)	(75.9)	—	(2.3)	(1.7)	—
Consolidated	**1,279.1**	**1,476.9**	**15%**	**23.8**	**35.7**	**50%**

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 copper prices rising compared with the same period of the previous fiscal year. Also, segment profit increased as the share of profit(loss) of entities accounted for using the equity method from SAMANCOR CHROME HOLDINGS PROPRIETARY LTD. turned positive.
(Metal Recycling)
Net sales and segment profit increased, because market prices of major products handled, such as aluminum and minor metals, 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 and the performance of newly consolidated subsidiaries contributed. On the other hand, segment profit decreased, mainly due to a decrease in the transaction volume of salmon.
(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 despite an unstable supply-demand environment.
(Overseas Sales Subsidiaries)
Net sales and segment profit increased, due to the increase in sales volume of steel products and non-ferrous metal raw materials in Southeast Asia.

*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 Implemented a company split in which wholly owned subsidiary HKG TRADING CO., LTD. served as the splitting company in connection with the organizational restructuring.

・Aug Entered into a capital and business alliance agreement with NAKAYAMA STEEL WORKS, LTD.
Acquired an interest in ASSOCIATED STEEL GROUP, LLC. in the United States, making it as a consolidated subsidiary.

Financial Position	Mar. 2026	Sep. 2026	Comparison with Mar. 2026 Change	Comparison with Mar. 2026 Rate
Total assets	**1,212.6**	**1,302.2**	**89.5**	7%
(Current assets)	928.7	968.8	40.1	4%
(Fixed assets)	283.9	333.4	49.4	17%
Total liabilities	**779.7**	**846.1**	**66.4**	**9%**
(Interest-bearing debt)	357.0	427.2	70.1	20%
(Net interest-bearing debt)	271.4	352.9	81.5	30%
Net DER	63%/54*%	79%/70*%	20pt	—
Total net assets	**432.9**	**456.0**	**23.1**	**5%**
(Shareholders' equity)	360.2	372.1	11.9	3%
(Accumulated other comprehensive income)	67.2	74.5	7.3	11%
(Non-controlling interests)	5.4	9.3	3.9	71%
BPS (yen)	2,197.63	2,329.18	131.55	6%
Equity capital	427.4	446.7	19.2	5%
Equity-to-asset ratio	35.3/37.3*%	34.3/36.2*%	(1.0pt)	—

Main Factors

(Total Assets)
Total assets increased by 7% from the end of the previous fiscal year, mainly due to the increase in inventories and trade receivables.

(Liabilities)
Liabilities increased by 9% from the end of the previous fiscal year, mainly due to the increase in short-term borrowings and bonds payable. As interest-bearing debt increased by 20%, net debt-equity ratio was turned into 79% (*70%).

(Net assets)
Total net assets increased by 5% 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 was 34.3% (*36.2%), which is 1.0 points higher than at the end of the previous fiscal year.

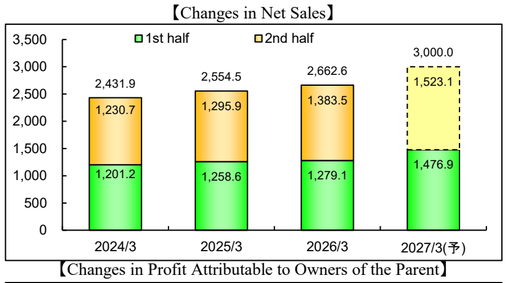
*Reflecting equity credit attributes of the subordinated loan

Cash Flow	FY2025	FY2026	YoY Change	YoY Rate
Cash flows from operating activities	39.0	(15.9)	(55.0)	—
Cash flows from investing activities	(3.0)	(48.7)	(45.7)	—
Cash flows from financing activities	(28.1)	51.8	79.9	—
Cash and cash equivalents at end of period	77.9	74.0	(3.8)	(5%)

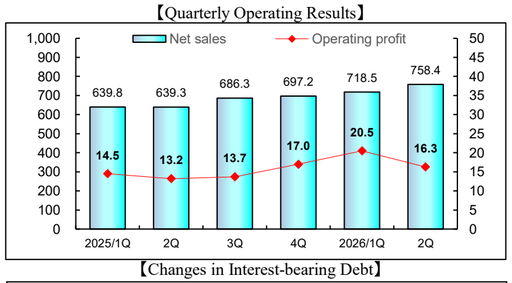
Main Factors

(Operating cash flows)
Due mainly to the decrease in trade payables and the increase in inventories.
(Investment cash flows)
Due mainly to payments for the acquisition of equity interests in subsidiaries resulting in change in scope of consolidation and property, plant and equipment.
(Financial cash flows)
Due mainly to proceeds from short-term borrowings and the issuance of bonds.

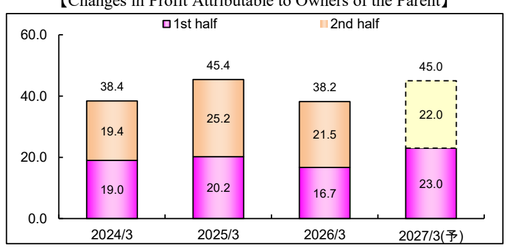
【Changes in Net Sales】



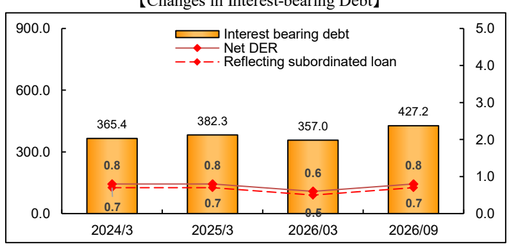
【Quarterly Operating Results】



【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	70.0	20%
Ordinary profit	52.2	65.0	24%
Net income attributable to owners of parent	38.2	45.0	18%

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