

# Outline of Financial Results for the Fiscal Year ended March 31, 2024

---

May 2024  
HANWA CO., LTD.

- 1. Summary of Financial Results**
- 2. Progress on Medium-Term Business Plan 2025**
- 3. Action to Implement Management that is Conscious of Cost of Capital and Stock Price**
- 4. Details by Business Segment**

# 1. Summary of Financial Results

# Summary of Consolidated Financial Results

- Ordinary income for FY2023 was 48.2 bil. yen, 96% of the forecast of 50 bil. Yen.
- For FY2024, we forecast net sales of 2,800 bil. yen (up 15% from FY2023) and ordinary income of 60 bil. yen (up 24% from FY2023).

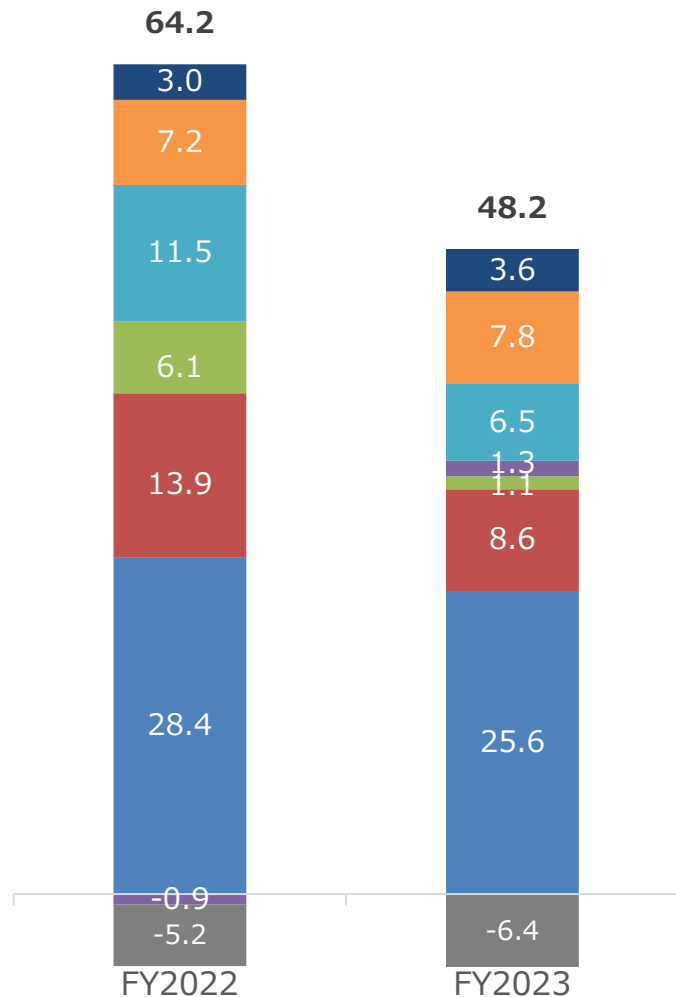
| (billions of yen)   | FY2022<br>Results | FY2023<br>Results | Y on Y<br>change (Rate) | FY2023<br>Forecast | Rate | FY2024<br>Forecast |
|---|-------------------|-------------------|-------------------------|--------------------|------|--------------------|
| Net Sales   | 2,668.2           | 2,431.9           | -236.2<br>(-9%)         | 2,700              | 90%  | 2,800              |
| Gross Profit  | 128.5             | 119.8             | -8.6<br>(-7%)           | —                  | —    | —                  |
| Operating Income  | 64.1              | 49.7              | -14.3<br>(-22%)         | 60                 | 83%  | 61                 |
| Ordinary Income   | 64.2              | 48.2              | -15.9<br>(-25%)         | 50                 | 96%  | 60                 |
| Net Income Attributable to<br>Owners of the Company               | 51.5              | 38.4              | -13.0<br>(-25%)         | 36                 | 107% | 43                 |
| Consolidated Steel Transaction<br>Volume (million metric tons) *1 | 14.59             | 13.48             | -1.11<br>(-8%)          | —                  | —    | —                  |

\*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)

## Ordinary Income by Segment



| Business Segments           | FY2022      | FY2023      | Y on Y Change<br>(Y on Y Rate) |
|-----------------------------|-------------|-------------|--------------------------------|
| Steel                       | 28.4        | 25.6        | -2.8<br>(-10%)                 |
| Primary Metal               | 13.9        | 8.6         | -5.2<br>(-38%)                 |
| Metal Recycling             | 6.1         | 1.1         | -5.0<br>(-82%)                 |
| Foods                       | -0.9        | 1.3         | +2.2<br>-                      |
| Energy & Living Materials   | 11.5        | 6.5         | -5.0<br>(-43%)                 |
| Overseas Sales Subsidiaries | 7.2         | 7.8         | +0.5<br>(+7%)                  |
| Other                       | 3.0         | 3.6         | +0.5<br>(+17%)                 |
| Adjustment                  | -5.2        | -6.4        | -1.2<br>(+23%)                 |
| <b>Total</b>                | <b>64.2</b> | <b>48.2</b> | <b>-15.9</b><br><b>(-25%)</b>  |

| Main Factors   |
|--|
| The volume handled decreased mainly due to a decline in the number of new housing starts.<br>The profitability of some construction projects deteriorated.                       |
| The transaction volume of stainless-steel products decreased and the prices of various products are being adjusted.<br>Decrease in dividend income from strategic investments.   |
| International prices of base metals remained low.<br>The transaction volume decreased due to the weak demand, mainly for stainless steel scrap.                                  |
| Crab market prices have been on a gradual recovery trend, and the increase in the cost of salmon, prawns and chicken started to be sufficiently reflected in the selling prices. |
| Transaction volume of the products such as palm kernel shells (PKS) and wood pellet increased.<br>The petroleum product prices remained low.                                     |
| The volume handled decreased and market prices declined in steel products and non-ferrous metal products.<br>Higher financial income from strategic investments.                 |
| Wood: Increase in high-margin products.<br>Machinery: Major projects completed.  |

# Quarterly Ordinary Income by Segment

(billions of yen)

| Business Segments           | FY2022 |      |      |      |       | FY2023 |      |      |      |       | Y on Y Change |
|-----------------------------|--------|------|------|------|-------|--------|------|------|------|-------|---------------|
|                             | 1Q     | 2Q   | 3Q   | 4Q   | Total | 1Q     | 2Q   | 3Q   | 4Q   | Total |               |
| Steel                       | 10.1   | 7.7  | 7.6  | 2.8  | 28.4  | 8.4    | 4.9  | 9.6  | 2.6  | 25.6  | -2.8          |
| Primary Metal               | 6.7    | 5.8  | 3.5  | -2.2 | 13.9  | 4.3    | 2.7  | -0.5 | 2.1  | 8.6   | -5.2          |
| Metal Recycling             | 4.9    | 0.4  | -0.3 | 1.0  | 6.1   | 0.8    | -0.0 | 0.2  | 0.0  | 1.1   | -5.0          |
| Foods                       | 0.3    | -0.5 | -0.6 | -0.0 | -0.9  | 0.4    | -0.6 | 1.2  | 0.2  | 1.3   | 2.2           |
| Energy & Living Materials   | 2.8    | 3.8  | 3.7  | 1.1  | 11.5  | 1.3    | 0.1  | 3.6  | 1.4  | 6.5   | -5.0          |
| Overseas Sales Subsidiaries | 2.6    | 2.7  | 1.9  | -0.0 | 7.2   | 2.0    | 2.4  | 2.0  | 1.2  | 7.8   | 0.5           |
| Other                       | 1.7    | 0.5  | 0.3  | 0.4  | 3.0   | 1.5    | 0.3  | 0.5  | 1.2  | 3.6   | 0.5           |
| Adjustment                  | 3.8    | -0.9 | -5.5 | -2.5 | -5.2  | -2.9   | 1.4  | -1.2 | -3.6 | -6.4  | -1.2          |
| Total                       | 33.3   | 19.6 | 10.7 | 0.5  | 64.2  | 16.0   | 11.4 | 15.4 | 5.3  | 48.2  | -15.9         |

# Segment Ordinary Income compared to Forecast

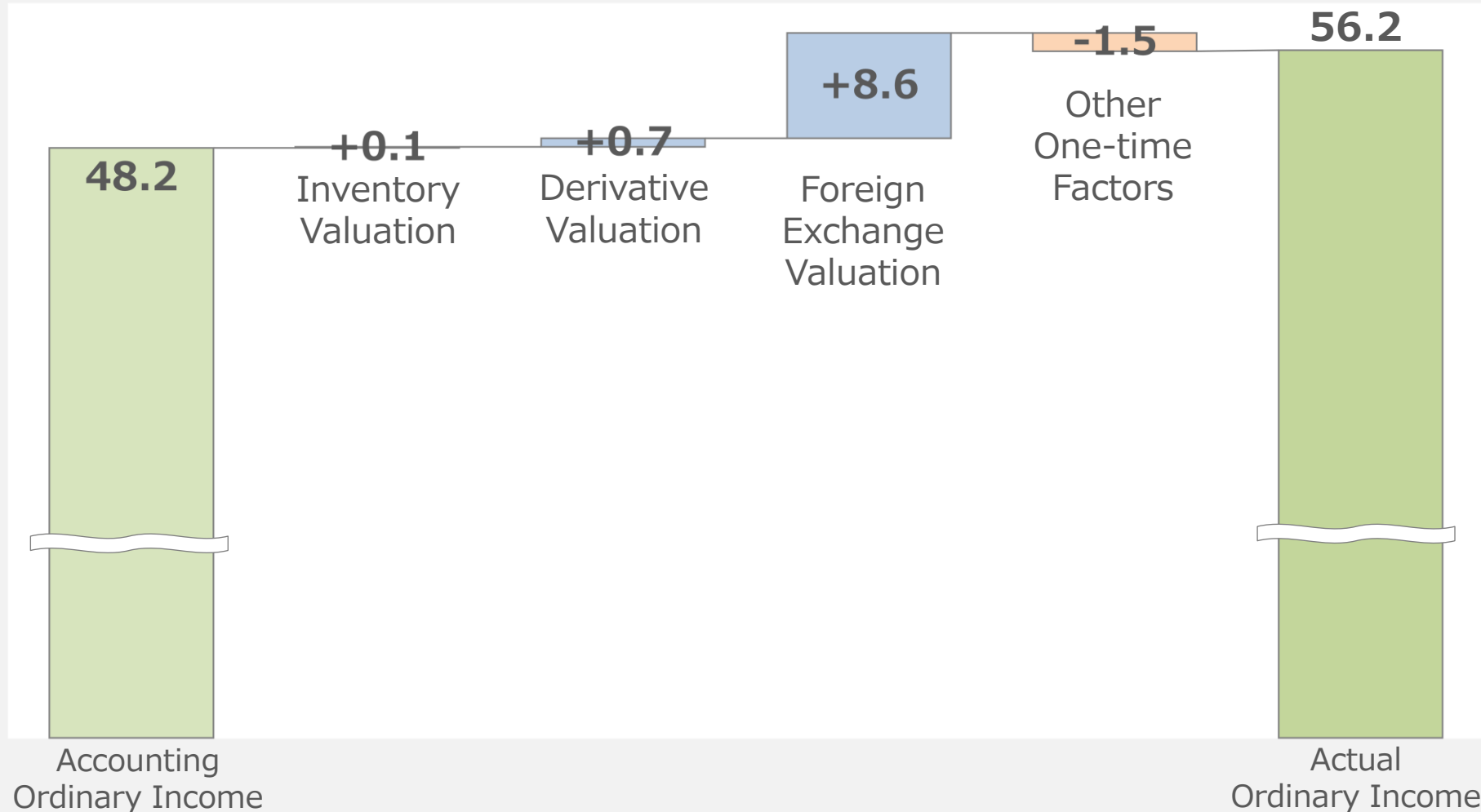
(billions of yen)

| Business Segments           | FY2023 Forecast | FY2023 Results | Rate | Main Factors   |
|-----------------------------|-----------------|----------------|------|--|
| Steel                       | 29.0            | 25.6           | 88%  | The volume handled decreased.<br>The profitability of some construction projects deteriorated.   |
| Primary Metal               | 5.7             | 8.6            | 151% | SAMANCOR's performance exceeded forecasts at the beginning of the fiscal year.<br>Chromium and manganese transaction volumes increased.  |
| Metal Recycling             | 2.7             | 1.1            | 41%  | International prices of base metals remained low.<br>The transaction volume decreased due to the weak demand, mainly for stainless steel scrap.                                  |
| Foods                       | 1.5             | 1.3            | 87%  | Crab market prices have been on a gradual recovery trend, and the increase in the cost of salmon, prawns and chicken started to be sufficiently reflected in the selling prices. |
| Energy & Living Materials   | 6.8             | 6.5            | 96%  | Transaction volume of the products such as palm kernel shells (PKS) and wood pellet increased.<br>The petroleum product prices remained low.                                     |
| Overseas Sales Subsidiaries | 9.0             | 7.8            | 87%  | The volume handled decreased and market prices declined in steel products and non-ferrous metal products.<br>Higher financial income from strategic investments.                 |
| Other                       | 2.2             | 3.6            | 164% | Wood: Increase in high-margin products.<br>Machinery: Major projects completed.  |
| Adjustment                  | -6.9            | -6.4           | —    |  |
| Total                       | 50.0            | 48.2           | 96%  |  |

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

- Actual ordinary income was 56.2 bil. yen (down 5.1 bil. yen year on year), while accounting ordinary income was 48.2 bil. yen.
- In FY2022, actual ordinary income was 61.3 bil. yen, while accounting ordinary income was 64.2 bil. yen.

(billions of yen)





# Financial Position (Consolidated)

(billions of yen)

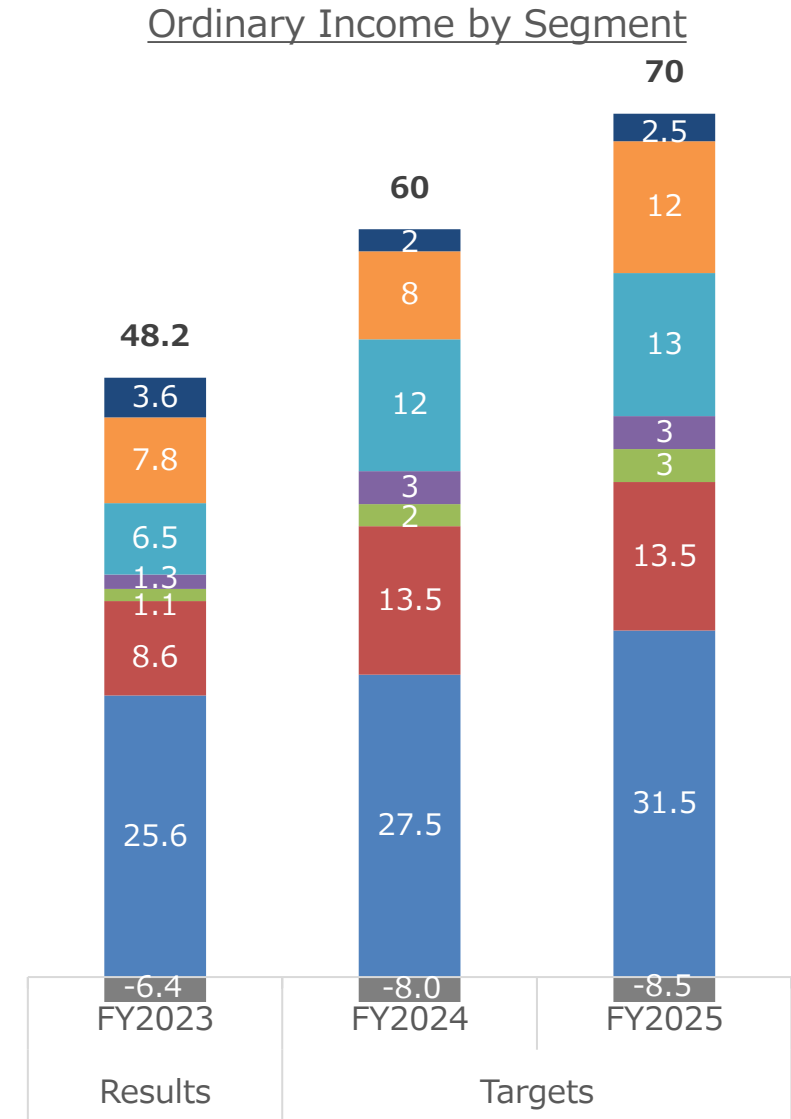
|   | Mar. 2023        | Mar. 2024        | Change<br>(Rate) | Main Factors   |
|---|------------------|------------------|------------------|--|
| Total Assets  | 1,157.7          | 1,166.9          | +9.2<br>(+1%)    | Increase in electronically recorded monetary claims and investment securities                |
| Shareholder's Equity                                    | 270.8            | 304.2            | +33.3<br>(+12%)  |  |
| Owner's Equity  | 303.1            | 351.2            | +48.0<br>(+16%)  | Accumulation of retained earnings<br>Fluctuation in foreign currency translation adjustments |
| Owner's equity ratio<br>(taking account of hybrid loan) | 26.2%<br>(28.3%) | 30.1%<br>(32.2%) | +3.9pt           |  |
| Interest-bearing Debt                                   | 380.9            | 365.4            | -15.5<br>(-4%)   |  |
| Net Interest-bearing Debt                               | 296.7            | 288.9            | -7.8<br>(-3%)    | Redemption of commercial paper<br>Decrease in income taxes payable                           |
| Net DER<br>(taking account of hybrid loan)              | 98%<br>(83%)     | 82%<br>(70%)     | -16pt            |  |

## 2. Progress on Medium-Term Business Plan 2025

# Progress on Targets of the Medium-Term Business Plan

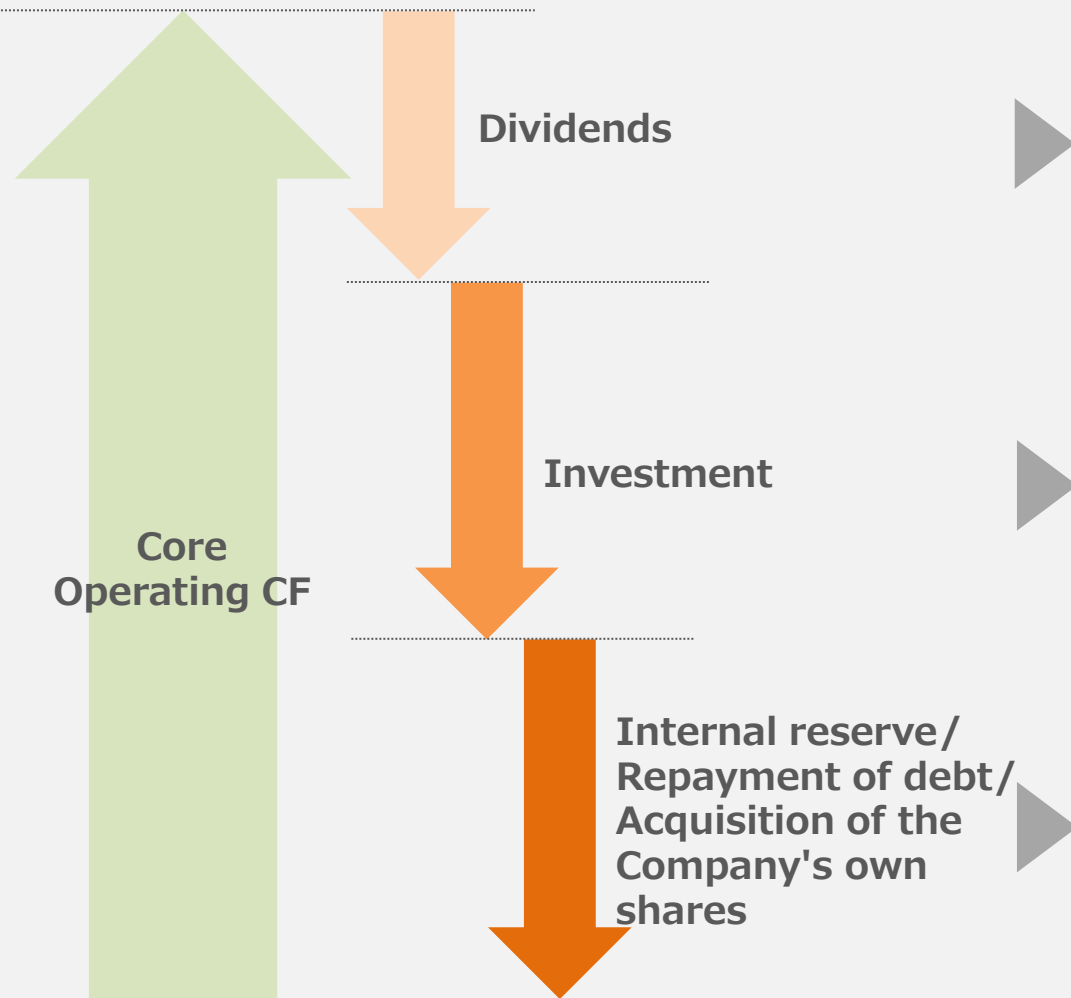
(billions of yen)

|   |                             | FY2023 Results | FY2024 Targets | FY2025 Targets |
|---|-----------------------------|----------------|----------------|----------------|
| <b>Net Sales</b>  |                             | 2,431.9        | 2,800.0        | 3,200.0        |
| <b>Ordinary Income by segment</b>                         | Steel                       | 25.6           | 27.5           | 31.5           |
|   | Primary Metal               | 8.6            | 13.5           | 13.5           |
|   | Metal Recycling             | 1.1            | 2.0            | 3.0            |
|   | Foods                       | 1.3            | 3.0            | 3.0            |
|   | Energy & Living Materials   | 6.5            | 12.0           | 13.0           |
|   | Overseas Sales Subsidiaries | 7.8            | 8.0            | 12.0           |
|   | Other                       | 3.6            | 2.0            | 2.5            |
|   | Adjustment                  | -6.4           | -8.0           | -8.5           |
|   | <b>Total</b>                | <b>48.2</b>    | <b>60.0</b>    | <b>70.0</b>    |
| <b>Consolidated steel transaction volume (million MT)</b> |                             | 13.48          | -              | 17.00          |
| <b>Investments</b>  |                             | 15.6           | -              | -              |
| (Cumulative total of investments)                         |                             |                | -              | 80.0           |
| <b>ROE</b>  |                             | 13.4%          | 12.0% or more  |                |
| <b>Net DER</b>  |                             | 82%            | 100% or less   |                |



# Policy on Cash Allocation in the Medium-Term Business Plan

From Medium-Term Business Plan 2025



- ① Implement foreseeable and stable dividends that are less likely to be affected by performance in a single fiscal year  
**Dividend on equity ratio (DOE)\*: Minimum 2.5%**

\*Dividend on equity ratio (DOE) =  
Total dividends / Shareholders' equity at beginning of period

- ② Invest in growth within consolidated basic operating CF (after dividends) to maintain and improve financial discipline  
**Investment Amount = ¥80.0 bn**

\*Consolidated core operating CF =  
Consolidated CF from operating activities – Changes in working capital

- ③ Ensure the profitability and efficiency of business assets while keeping an eye on the cost of capital and maintaining financial discipline  
Agile and flexible acquisition of the Company's own shares  
**ROE\* 12.0% or more (ROE > Cost of equity)**  
**Net DER 100% or less**

\*ROE = Profit attributable to owners of the parent / Average shareholders' equity at term beginning and end

# Shareholder Returns

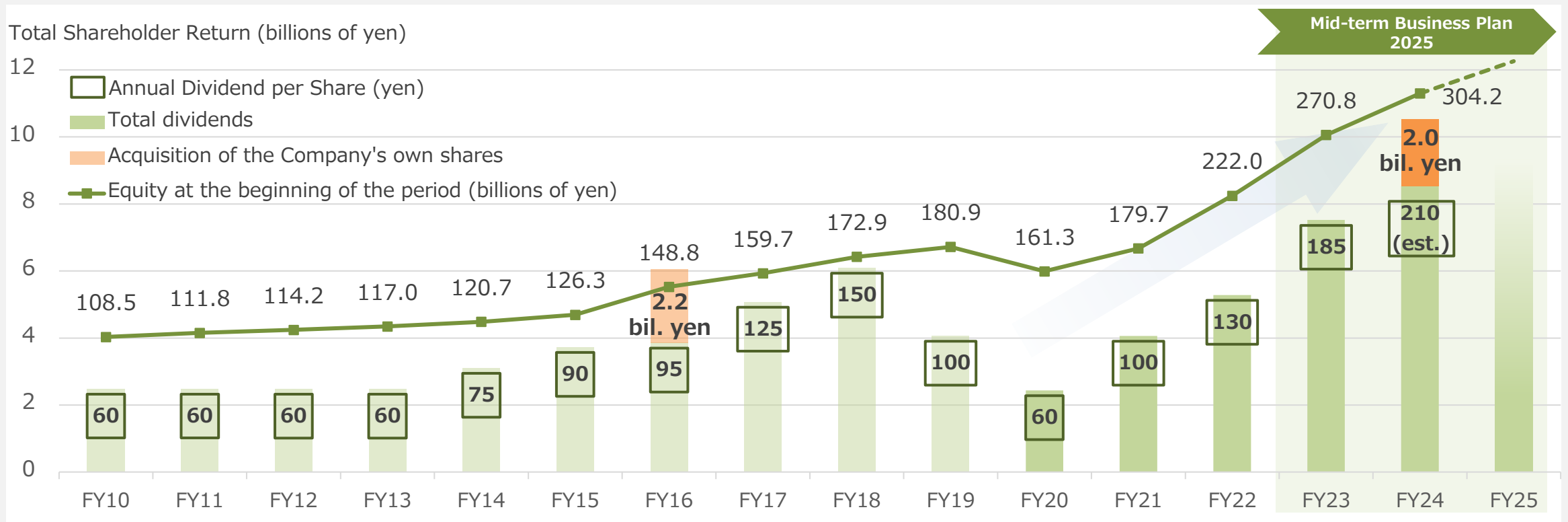
## Shareholder Return Policy

Pay stable and progressive dividends (minimum dividend level of 2.5% DOE) and flexible additional returns such as acquisition of the Company's own shares, etc., with the aim of increasing dividends over the medium to long term.

## Amount returned to shareholders

FY 2023: Annual dividend per share increased by 15 yen from 170 yen to **185 yen** (interim 85 yen / year-end 100 yen) based on additional profit and cash flow from the sale of strategic shareholdings.

FY 2024: Annual dividend per share expected to be **210 yen** (interim 105 yen / year-end 105 yen), and **2 bil. yen for acquisition of the Company's own shares**.



# Main Areas and Themes of Investments

Hanwa

Medium-Term Business Plan 2025  
80 bil. yen for investment in the following theme

**Focused Areas**  
-Driving Growth-

**Key Investment Themes**

**Environmentally Responsible Resources**  
Metal Recycling, Energy & Living Materials, Steel

Establish sustainable supply chains for biomass and recycled fuels  
Rebuild supply chains for recycled resources such as RPF and tire chips

**Secondary Battery**  
Primary Metal

Establish stable supply chains for metals used in batteries

**High-value-added Processed Products**  
Steel, Foods

Establish a supply chain for high-value-added processed products

**Local Business (Overseas)**  
Overseas Sales Subsidiaries

Strategic alliances with competitive manufacturers outside Japan

**Foundation Area**  
- Generating Cash -

**Key Investment Themes**

**Existing Business in Japan**  
Steel, Primary Metal, Metal Recycling, Foods, Energy & Living Materials, Other

Strengthen and streamline our domestic supply chains

From a Steel Trading Company to a **Supply Chain Creation Company**

Connecting all the “want”, in turn contributing to realize a sustainable society



\* These are investment plans for 2023-2025 and are subject to change.

# Investments Updates FY2023

| Segments                           | Amount<br>(billions of yen) | Major Investment Projects   |
|------------------------------------|-----------------------------|---|
| Steel                              | 10.2                        | <ul style="list-style-type: none"> <li>Hanwa Daisan : Facility expansion                             <ul style="list-style-type: none"> <li>- Ota Steel Center: a H-beam line, a shaping machine, and a crane installed</li> <li>- Isesaki Steel Center: Fabri Gear installed</li> </ul> </li> <li>Hanwa Eco Steel : a new plant in Nagoya</li> </ul> |
| Metal Recycling                    | 0.5                         | <ul style="list-style-type: none"> <li>HANWA METALS (THAILAND) : Expansion of an aluminum can recycling line</li> </ul>   |
| Energy & Living Materials Business | 1.6                         | <ul style="list-style-type: none"> <li>Investment in Biomasa Jaya Abadi, an Indonesian WP Producer</li> </ul>   |
| Overseas Sales Subsidiaries        | 0.9                         |   |
| Other                              | 0.8                         | <ul style="list-style-type: none"> <li>Capacity expansion at domestic subsidiaries</li> </ul>   |
| Whole Company                      | 1.6                         | <ul style="list-style-type: none"> <li>Building and enhancing the new core system</li> </ul>  |
| <b>Total Amount</b>                | <b>15.6</b> bil. yen        | <p><b>Cumulative total of investment amount in Medium-Term Business Plan 2025</b></p> <p><b>80 bil. yen</b><br/>(Progress:18%)</p> <p>* The previously disclosed "Investment in a new electric furnace manufacturer in Indonesia" and "Acquisition of shares in Shinx" are planned to be implemented in FY2024.</p>                                   |

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

### **3. Action to Implement Management that is Conscious of Cost of Capital and Stock Price**



# Action to Implement Management That is Conscious of Cost of Capital and Stock Price

- While ROE has remained high due to strong profitability, PER has remained low due to uncertainty over earnings stability and growth potential, and we recognize that there is room for further improvement in PBR.
- We have taken the following measures to improve earnings stability, reduce the cost of equity, and clarify the growth scenario.

## Actions for Improvement (announced in Q2 results Presentation)

- ✓ Promote stakeholder understanding of the Company through **more detailed disclosure** of the Company's business and growth investments
- ✓ Improve core earnings by reviewing businesses and assets, and use the cash generated **to invest in growth and return profits to shareholders**, etc.
- ✓ **Improve the governance structure**, including risk management
- ✓ **Promote ROIC management** while being conscious of cost of capital
- ✓ **Introduce a restricted stock compensation plan** to provide incentives for sustainable growth in corporate value



## Implementation

- ✓ **Disclose breakdown of ordinary income target of ¥70 bil. and key investment areas and themes of the ¥80 bil. investment** (p.10,13 of this document)
- ✓ Based on the cash allocation policy (p.11), we reviewed our assets and **reduced strategic shareholdings** (p.18), and **announced additional shareholder returns** (p.12).
- ✓ Established the Risk Management Department in FY2024 to strengthen the company-wide risk management.
- ✓ **ROIC to be part of performance evaluations** from FY2024
- ✓ **Introduced** in FY2023

# Dialogue with Shareholders

## Results (FY2023)

| Events   | Count | Details   |
|--|-------|---|
| <b>Financial Results Briefing</b>                      | 2     | Held twice with the participation of the Chairman, President, and Directors (at the end of Q2 and the FY)   |
| <b>Small meetings with investors and analysts</b>      | 2     | The President delivered a financial and business strategy briefing.<br>A director provided a briefing on current market and business conditions in China. |
| <b>Investors' Conference</b>                           | 1     | Participated in a conference for overseas institutional investors with the executive officer in charge of the corporate planning dept. as a speaker.      |
| <b>One-on-One meetings with investors and analysts</b> | 103   | Active dialogue led by the Executive Officer and the Corporate Officer responsible for corporate planning.  |
| <b>Buy-side (companies)</b>                            | (35)  |   |
| <b>Sell-Side (companies)</b>                           | (8)   |   |

### Main Topics

|   |   |
|---|---|
| <b>1. Business Results</b>                        | <ul style="list-style-type: none"> <li>Results by segment</li> <li>Market conditions and supply/demand situation for each product</li> </ul>  |
| <b>2. Medium-Term Business Plan</b>               | <ul style="list-style-type: none"> <li>Business strategies by segment</li> <li>Progress on strategic investment &amp; profit contribution</li> <li>Progress on Medium-term Business Plan</li> </ul>               |
| <b>3. Shareholder Returns and our Stock Price</b> | <ul style="list-style-type: none"> <li>Dividend policy and acquisition of the Company's own shares</li> <li>Increase shareholder returns</li> <li>Assessment of current stock price and related issues</li> </ul> |
| <b>4. Others</b>                                  | <ul style="list-style-type: none"> <li>Reduction of strategic shareholdings and future targets</li> <li>Risk management policy</li> </ul>   |

## Feedback and our Actions

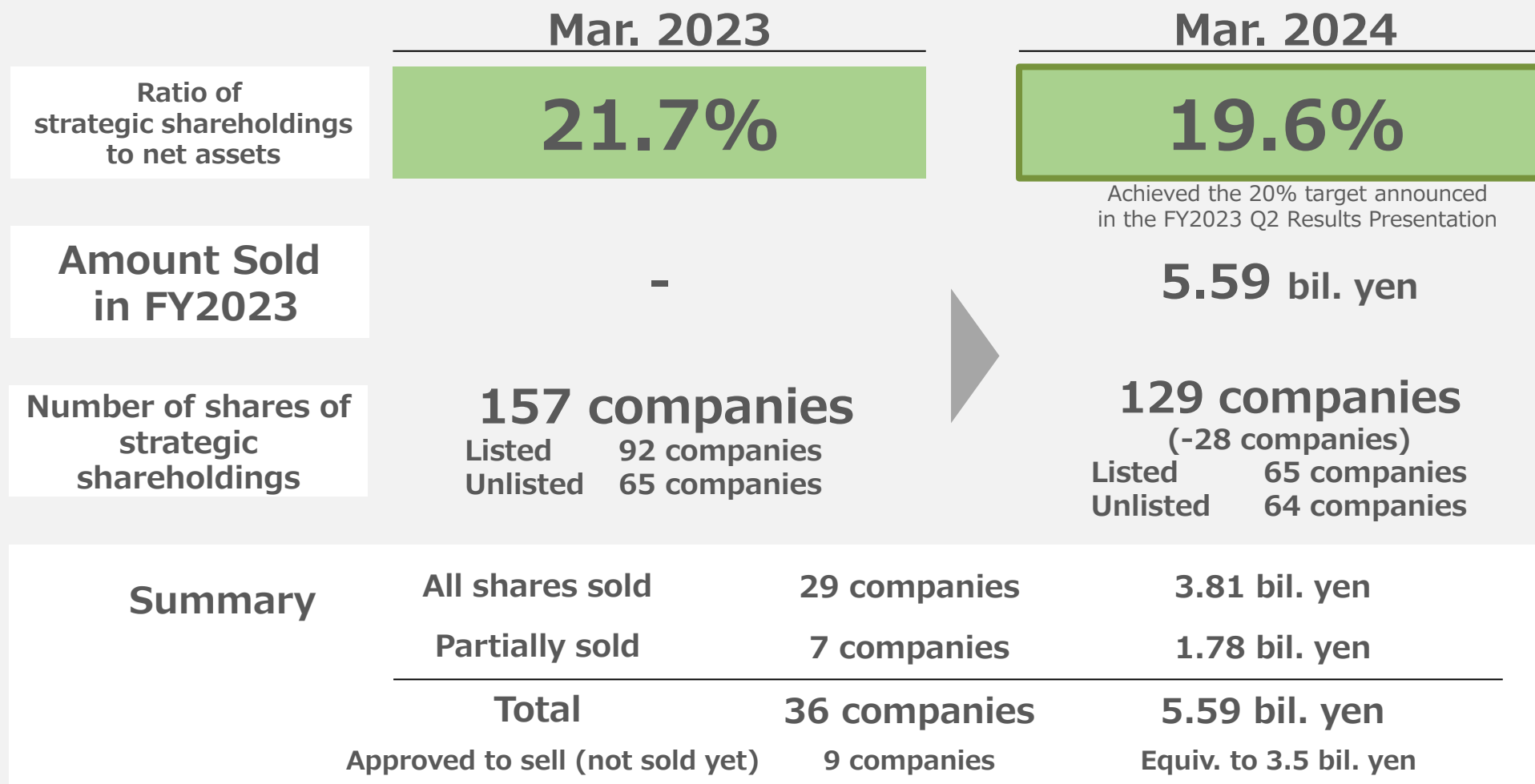
| Feedback to management                   | Count     | Details   |
|--|-----------|---|
| <b>IR and Financial Results Briefing</b> | 11        | Report to the Board of Directors, Management Committee, and other relevant officers on topics of high interest, opinions and requests of investors that are identified through IR activities.<br>Report to relevant officers on summaries of analyst reports to relevant officers (not included in count) |
| <b>Shareholder Situation</b>             | 7         | Report to the Board of Directors on shareholder composition, trends in shareholdings by institutional investors, and their criteria of voting standards and our responses   |
| <b>Others</b>                            | As needed | Share the results of shareholder and investor dialog on shareholder returns, reduction of strategic shareholdings, company-wide risk management, sustainability and ESG issues, etc., and discuss them at the Board of Directors and Management Committee.  |

### Key Disclosures and Actions

|                            |  |
|----------------------------|--|
| <b>Detailed Disclosure</b> | <ul style="list-style-type: none"> <li>Actual ordinary Income by segment (from FY2023 Q2)</li> <li>Simultaneous disclosure of "Outline of Financial Results" in English (from FY2023 Q2)</li> <li>Progress on reduction of strategic shareholdings (from FY2023 Q3)</li> <li>Quarterly disclosure of "Outline of financial results" materials (FY2023 Q3)</li> <li>Breakdown and progress of Medium-term business plan targets (from FY2023 Q4)</li> </ul> |
| <b>Shareholder Returns</b> | <ul style="list-style-type: none"> <li>Announced dividend increase and acquisition of the Company's own shares</li> </ul>  |
| <b>Sustainability /ESG</b> | <ul style="list-style-type: none"> <li>Establish mid- to long-term GHG emission reduction targets</li> <li>Conduct human rights risk assessments</li> </ul>  |

# Reducing Strategic Shareholdings

- Sold shares in 36 companies, bringing the value of strategic shareholdings to less than 20% of consolidated net assets as of March 31, 2024.
- Continue divestments in FY2024 to achieve further reduction in terms of capital efficiency and asset replacement.



\*1 In FY2023, We have newly acquired shares in a domestic unlisted company as strategic shareholdings, which is included in the 64 companies above.

\*2 The value of shares approved to sell (not sold yet) is calculated based on the stock price (closing price) as of March 29, 2024.

## 4. Details by Business Segment

# Steel Business Segment

Despite the contribution of Tanaka Steel Trading Co., Ltd., which became a consolidated subsidiary in FY2022, and increased "solution function" in domestic construction, the volume of steel products handled decreased mainly due to a decline in the number of new housing. In addition, the segment's revenue decreased as the profitability of some construction projects deteriorated.

| (billions of yen)                  | FY2022 |       |       |       |             | FY2023 |       |       |       |             | Y on Y Change  |
|------------------------------------|--------|-------|-------|-------|-------------|--------|-------|-------|-------|-------------|----------------|
|                                    | 1Q     | 2Q    | 3Q    | 4Q    | Total       | 1Q     | 2Q    | 3Q    | 4Q    | Total       | (Y on Y Rate)  |
| Net Sales                          | 308.8  | 301.9 | 330.6 | 320.6 | 1,262.1     | 318.8  | 309.7 | 311.3 | 300.1 | 1,240.0     | -22.0<br>(-2%) |
| Ordinary income                    | 10.1   | 7.7   | 7.6   | 2.8   | <b>28.4</b> | 8.4    | 4.9   | 9.6   | 2.6   | <b>25.6</b> | -2.8<br>(-10%) |
| Parent only                        | 7.8    | 6.4   | 6.6   | 7.6   | <b>28.5</b> | 7.3    | 4.8   | 9.1   | 2.7   | <b>24.0</b> | -4.5<br>(-16%) |
| Domestic consolidated subsidiaries | 1.2    | 1.2   | 0.9   | 0.9   | <b>4.5</b>  | 1.1    | 1.1   | 2.1   | 1.3   | <b>5.7</b>  | +1.2<br>(+28%) |
| Overseas consolidated subsidiaries | 2.0    | 0.5   | 0.1   | -4.0  | <b>-1.3</b> | 1.0    | -0.2  | -0.4  | -0.7  | <b>-0.5</b> | +0.8<br>(-62%) |
| Equity in earnings of affiliates   | 0.2    | 0.1   | -0.1  | -0.6  | <b>-0.4</b> | 0.1    | -0.4  | -0.0  | -0.3  | <b>-0.6</b> | -0.2<br>(+61%) |
| Adjustment                         | -1.2   | -0.6  | 0.0   | -0.9  | <b>-2.8</b> | -1.3   | -0.2  | -1.1  | -0.2  | <b>-2.9</b> | -0.1<br>(+6%)  |

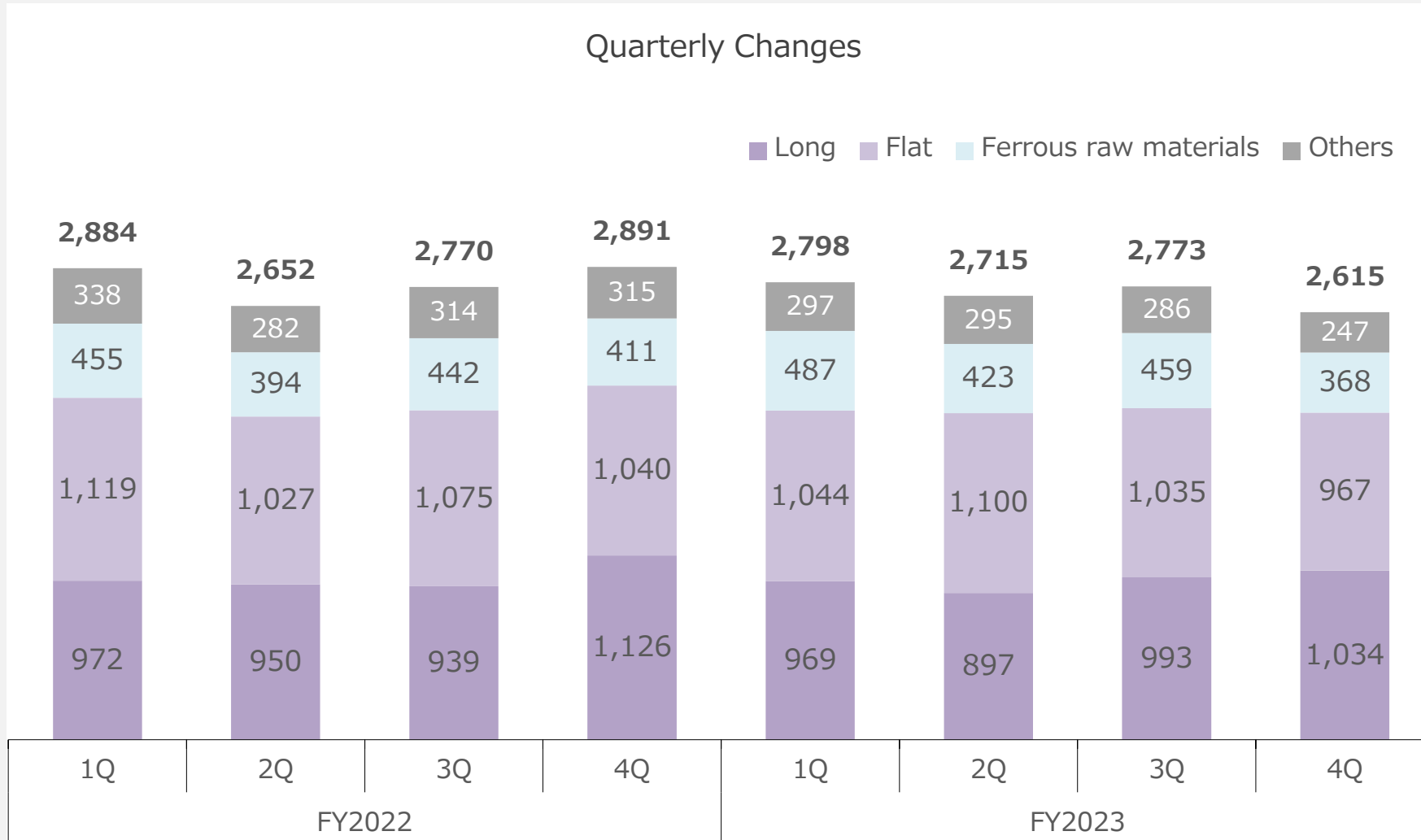
# Steel Business Segment

Trend of Transaction Volume\*  
(Consolidated)

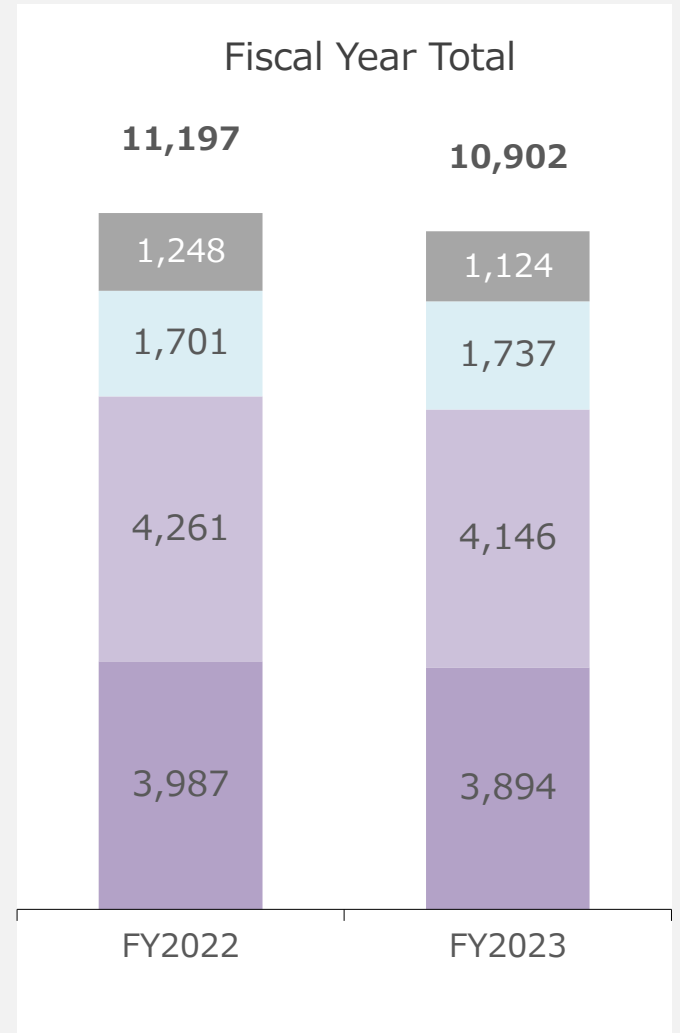
(thousand tons)

## Quarterly Changes

Long Flat Ferrous raw materials Others



## Fiscal Year Total



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

# Primary Metal Business Segment

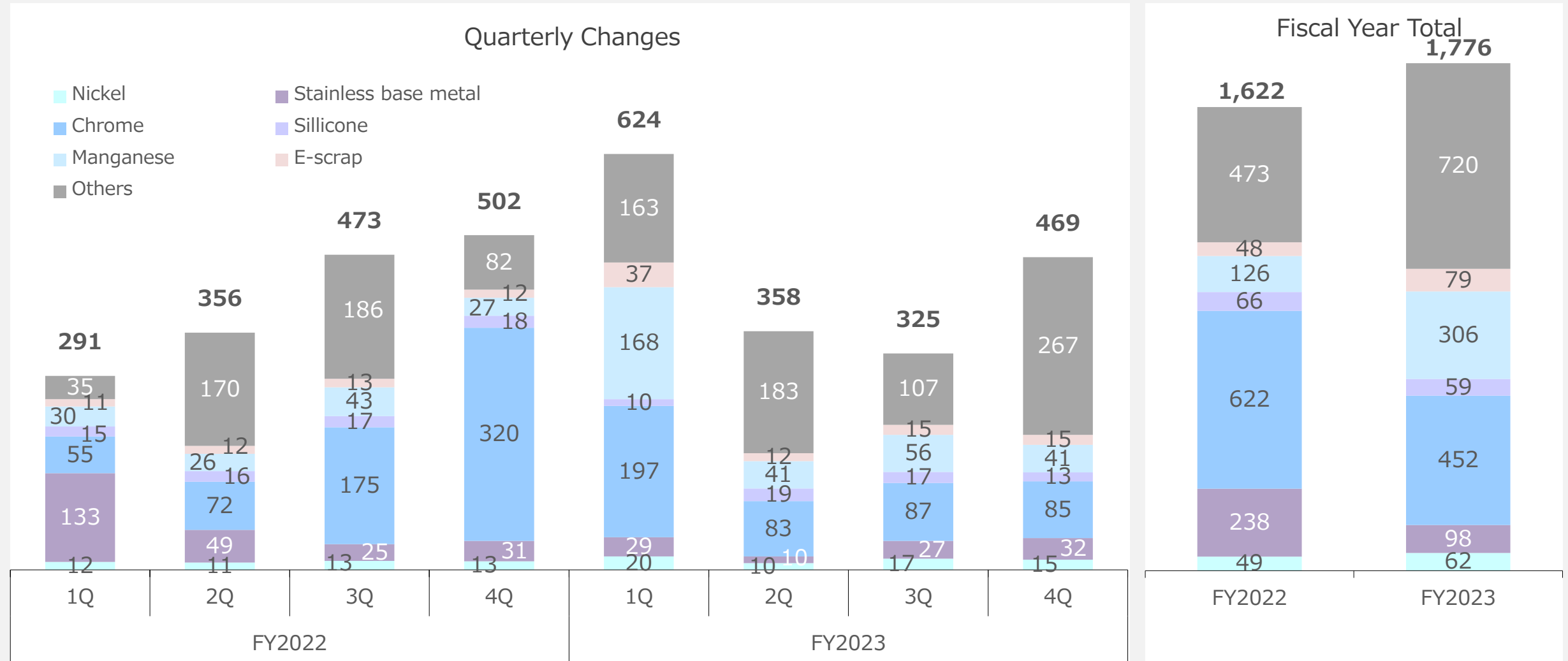
The transaction volume of stainless-steel products decreased, and the prices of various products are being adjusted.  
Decrease in dividend from strategic investments.

| (billions of yen)                  | FY2022 |      |      |      |             | FY2023 |      |      |      |             | Y on Y Change   |
|------------------------------------|--------|------|------|------|-------------|--------|------|------|------|-------------|-----------------|
|                                    | 1Q     | 2Q   | 3Q   | 4Q   | Total       | 1Q     | 2Q   | 3Q   | 4Q   | Total       | (Y on Y Rate)   |
| Net Sales                          | 58.6   | 66.5 | 76.7 | 72.0 | 274.0       | 61.5   | 49.2 | 49.0 | 63.2 | 223.0       | -50.9<br>(-19%) |
| Ordinary income                    | 6.7    | 5.8  | 3.5  | -2.2 | <b>13.9</b> | 4.3    | 2.7  | -0.5 | 2.1  | <b>8.6</b>  | -5.2<br>(-38%)  |
| Parent only                        | 5.3    | 1.3  | 4.4  | -0.3 | <b>10.6</b> | 4.3    | 0.7  | -0.0 | 0.6  | <b>5.6</b>  | -5.0<br>(-47%)  |
| Domestic consolidated subsidiaries | 0.0    | 0.0  | -0.0 | -0.0 | <b>-0.0</b> | 0.0    | 0.0  | -0.0 | 0.1  | <b>0.1</b>  | +0.1<br>-       |
| Overseas consolidated subsidiaries | -      | -    | -    | -    | -           | -      | -    | -    | -    | -           | -<br>-          |
| Equity in earnings of affiliates   | 1.4    | 4.4  | -0.8 | -5.7 | <b>-0.6</b> | -0.0   | 2.0  | -0.5 | 1.6  | <b>3.0</b>  | +3.7<br>-       |
| Adjustment                         | 0.0    | -0.0 | -0.0 | 3.9  | <b>3.9</b>  | -0.0   | -0.0 | -0.0 | -0.2 | <b>-0.2</b> | -4.1<br>-       |

# Primary Metal Business Segment

Trend of Transaction Volume  
(Unconsolidated)

(thousand tons)





# Metal Recycling Business Segment

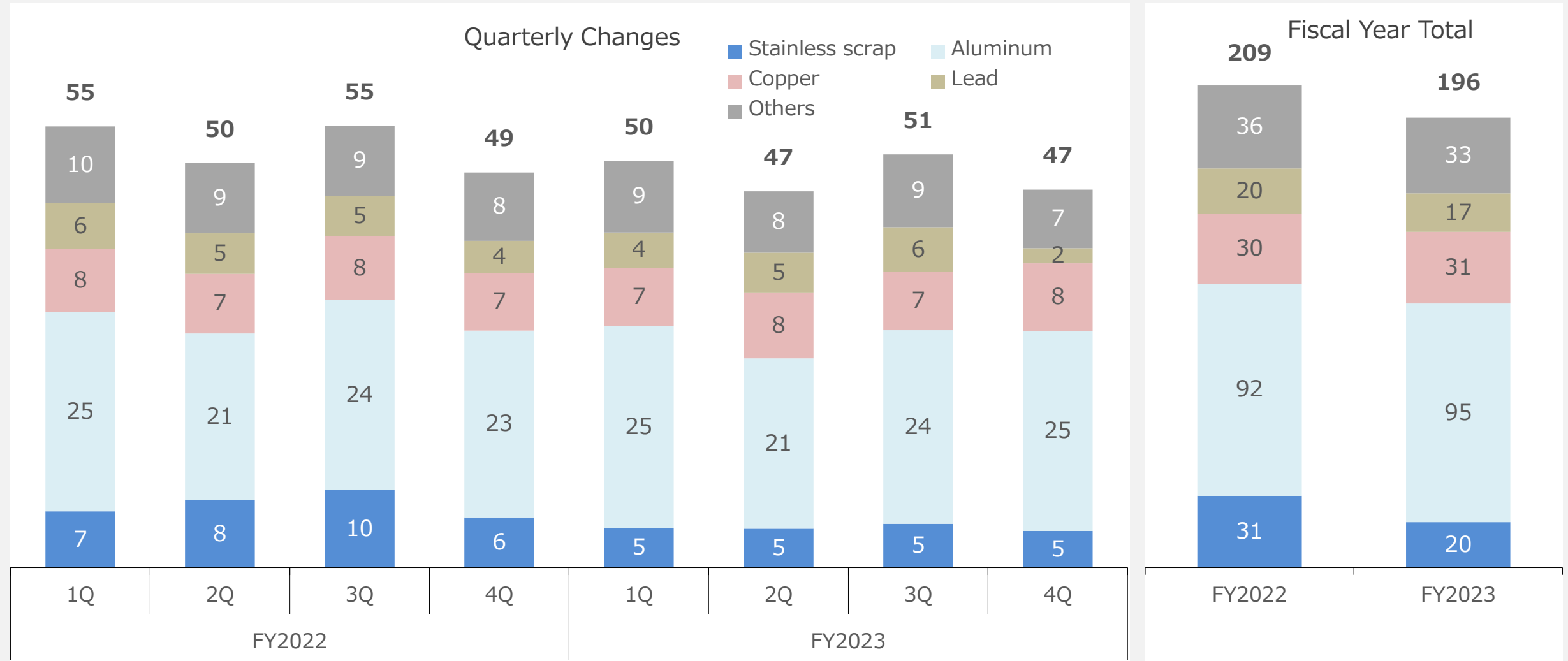
International prices of base metals remain low.  
The transaction volume decreased due to the weak demand, mainly for stainless steel scrap.

| (billions of yen)                  | FY2022 |      |      |      |             | FY2023 |      |      |      |             | Y on Y Change   |
|------------------------------------|--------|------|------|------|-------------|--------|------|------|------|-------------|-----------------|
|                                    | 1Q     | 2Q   | 3Q   | 4Q   | Total       | 1Q     | 2Q   | 3Q   | 4Q   | Total       | (Y on Y Rate)   |
| Net Sales                          | 43.1   | 34.6 | 35.3 | 34.0 | 147.1       | 29.4   | 28.7 | 29.8 | 28.6 | 116.7       | -30.4<br>(-21%) |
| Ordinary income                    | 4.9    | 0.4  | -0.3 | 1.0  | <b>6.1</b>  | 0.8    | -0.0 | 0.2  | 0.0  | <b>1.1</b>  | -5.0<br>(-82%)  |
| Parent only                        | 4.4    | -0.1 | -0.2 | 0.8  | <b>4.8</b>  | 0.9    | -0.1 | 0.1  | 0.0  | <b>0.9</b>  | -3.9<br>(-81%)  |
| Domestic consolidated subsidiaries | 0.3    | 0.1  | 0.2  | 0.0  | <b>0.7</b>  | 0.0    | 0.1  | 0.2  | 0.1  | <b>0.6</b>  | +0.0<br>(-10%)  |
| Overseas consolidated subsidiaries | 0.1    | 0.5  | -0.2 | 0.0  | <b>0.4</b>  | -0.0   | -0.0 | -0.0 | -0.1 | <b>-0.3</b> | -0.7<br>-       |
| Equity in earnings of affiliates   | 0.0    | 0.0  | 0.0  | 0.0  | <b>0.0</b>  | 0.0    | 0.0  | 0.0  | 0.0  | <b>0.0</b>  | +0.0<br>(-38%)  |
| Adjustment                         | -0.0   | -0.0 | -0.0 | 0.0  | <b>-0.0</b> | -0.1   | 0.0  | -0.0 | -0.0 | <b>-0.1</b> | -0.1<br>(+587%) |

# Metal Recycling Business Segment

Trend of Transaction Volume  
(Unconsolidated)

(thousand tons)



# Foods Business Segment

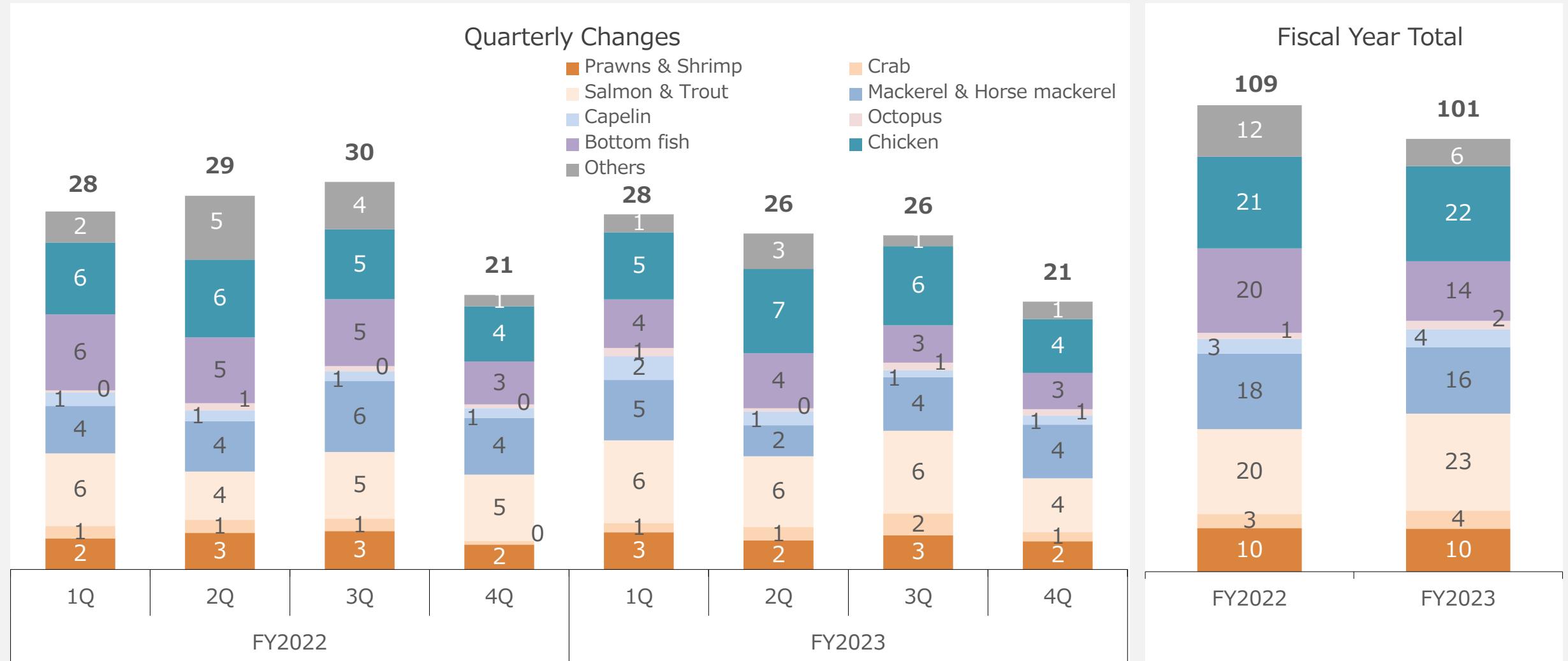
Crab market prices have been on a gradual recovery trend, and the increase in the cost of salmon, prawns and chicken started to be sufficiently reflected in the selling prices.

| (billions of yen)                  | FY2022 |      |      |      |             | FY2023 |      |      |      |             | Y on Y Change  |
|------------------------------------|--------|------|------|------|-------------|--------|------|------|------|-------------|----------------|
|                                    | 1Q     | 2Q   | 3Q   | 4Q   | Total       | 1Q     | 2Q   | 3Q   | 4Q   | Total       | (Y on Y Rate)  |
| Net Sales                          | 29.1   | 32.3 | 39.5 | 27.5 | 128.5       | 28.7   | 32.5 | 36.8 | 24.7 | 122.9       | -5.6<br>(-4%)  |
| Ordinary income                    | 0.3    | -0.5 | -0.6 | -0.0 | <b>-0.9</b> | 0.4    | -0.6 | 1.2  | 0.2  | <b>1.3</b>  | +2.2<br>-      |
| Parent only                        | 0.3    | 0.0  | -0.0 | 0.3  | <b>0.7</b>  | 0.8    | -1.6 | 1.8  | 0.2  | <b>1.3</b>  | +0.6<br>(+89%) |
| Domestic consolidated subsidiaries | 0.0    | 0.0  | 0.4  | -0.0 | <b>0.4</b>  | 0.0    | 0.0  | 0.3  | -0.0 | <b>0.4</b>  | +0.0<br>(-19%) |
| Overseas consolidated subsidiaries | -0.1   | -0.7 | -1.0 | -0.4 | <b>-2.2</b> | -0.2   | 0.0  | 0.0  | 0.0  | <b>-0.2</b> | +2.0<br>(-89%) |
| Equity in earnings of affiliates   | -      | -    | -    | -    | -           | -      | -    | -    | -    | -           | -<br>-         |
| Adjustment                         | 0.0    | 0.0  | -0.0 | 0.0  | <b>0.1</b>  | -0.1   | 0.9  | -0.9 | 1.2  | <b>-0.1</b> | -0.2<br>-      |

# Foods Business Segment

Trend of Transaction Volume  
(Unconsolidated)

(thousand tons)



# Energy & Living Materials Business Segment

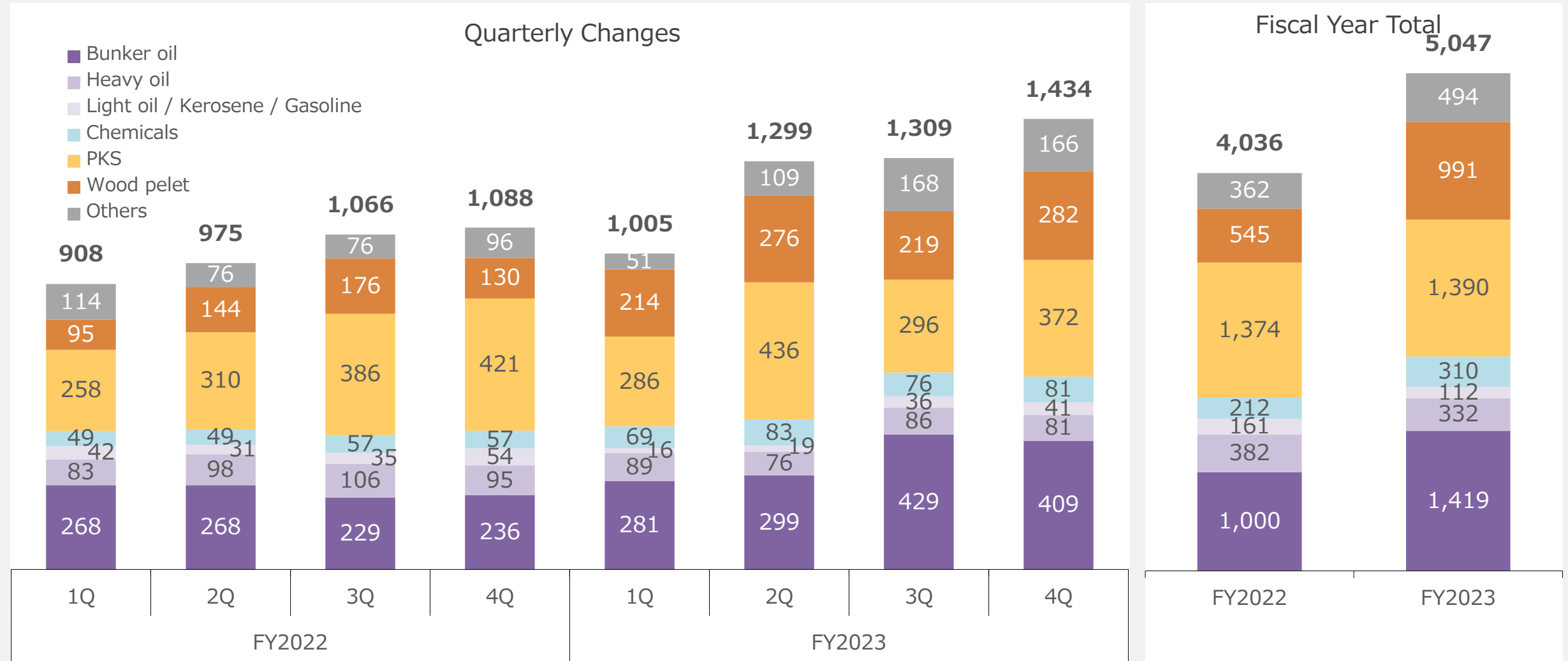
Transaction volume of the products such as palm kernel shells (PKS) and wood pellet increased.  
The petroleum product prices remained low.

| (billions of yen)                  | FY2022 |      |      |      |             | FY2023 |      |      |      |             | Y on Y Change   |
|------------------------------------|--------|------|------|------|-------------|--------|------|------|------|-------------|-----------------|
|                                    | 1Q     | 2Q   | 3Q   | 4Q   | Total       | 1Q     | 2Q   | 3Q   | 4Q   | Total       | (Y on Y Rate)   |
| Net Sales                          | 88.5   | 93.0 | 92.9 | 86.3 | 360.9       | 69.0   | 81.3 | 97.1 | 99.0 | 346.5       | -14.4<br>(-4%)  |
| Ordinary income                    | 2.8    | 3.8  | 3.7  | 1.1  | <b>11.5</b> | 1.3    | 0.1  | 3.6  | 1.4  | <b>6.5</b>  | -5.0<br>(-43%)  |
| Parent only                        | 2.7    | 2.4  | 3.3  | 0.9  | <b>9.6</b>  | 2.4    | 0.7  | 2.5  | 2.0  | <b>7.7</b>  | -1.8<br>(-19%)  |
| Domestic consolidated subsidiaries | 0.4    | 1.3  | 0.3  | 0.1  | <b>2.3</b>  | -0.2   | -0.6 | 1.0  | 0.2  | <b>0.3</b>  | -1.9<br>(-84%)  |
| Overseas consolidated subsidiaries | –      | –    | –    | –    | –           | –      | –    | –    | –    | –           | –               |
| Equity in earnings of affiliates   | 0.0    | 0.0  | 0.0  | 0.0  | <b>0.1</b>  | 0.0    | 0.0  | 0.0  | -0.0 | <b>0.1</b>  | +0.0<br>(-9%)   |
| Adjustment                         | -0.4   | 0.0  | 0.0  | 0.0  | <b>-0.4</b> | -0.9   | 0.0  | 0.0  | -0.7 | <b>-1.6</b> | -1.2<br>(+258%) |

# Energy & Living Materials Business Segment

Trend of Transaction Volume  
(Unconsolidated)

(thousand tons)



# Overseas Sales Subsidiaries Segment

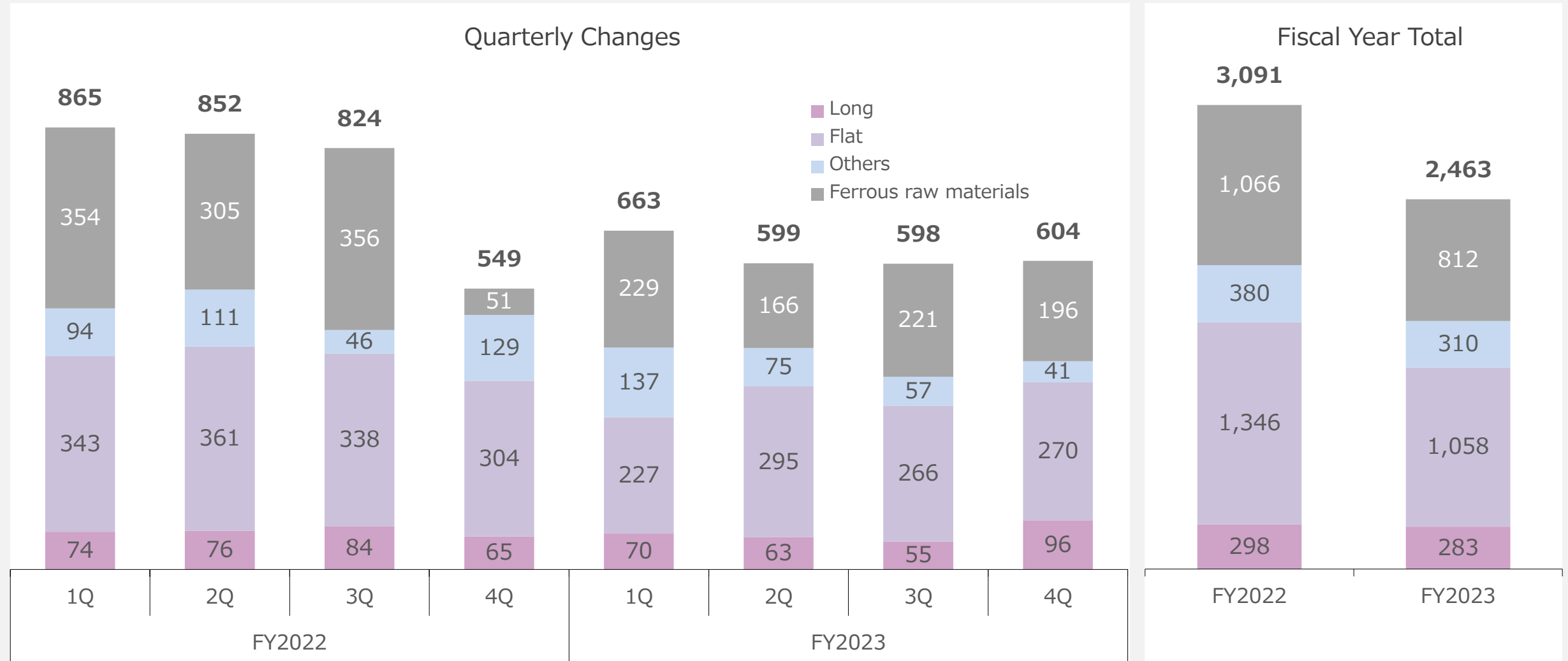
The volume handled decreased and market prices declined in steel products and non-ferrous metal products. Higher financial income from strategic investments.

| (billions of yen) | FY2022 |       |      |      |       | FY2023 |      |      |      |       | Y on Y Change    |
|-------------------|--------|-------|------|------|-------|--------|------|------|------|-------|------------------|
|                   | 1Q     | 2Q    | 3Q   | 4Q   | Total | 1Q     | 2Q   | 3Q   | 4Q   | Total | (Y on Y Rate)    |
| Net Sales         | 126.0  | 128.9 | 97.9 | 96.2 | 449.2 | 86.7   | 83.5 | 88.5 | 80.0 | 338.9 | -110.2<br>(-25%) |
| Ordinary income   | 2.6    | 2.7   | 1.9  | -0.0 | 7.2   | 2.0    | 2.4  | 2.0  | 1.2  | 7.8   | +0.5<br>(+7%)    |
| ASEAN             | 1.7    | 2.0   | 1.7  | 0.2  | 5.7   | 1.6    | 1.9  | 1.3  | 0.8  | 5.7   | +0.0<br>(+0%)    |
| East Asia         | 0.2    | 0.4   | 0.3  | -0.0 | 1.0   | 0.0    | 0.1  | 0.2  | 0.2  | 0.5   | -0.4<br>(-44%)   |
| North America     | 0.6    | 0.2   | -0.2 | -0.0 | 0.4   | 0.2    | 0.3  | 0.3  | 0.2  | 1.1   | +0.6<br>(+142%)  |
| Other             | 0.0    | 0.0   | 0.0  | 0.0  | 0.1   | 0.0    | 0.0  | 0.1  | -0.0 | 0.2   | +0.1<br>(+109%)  |
| Adjustment        | 0.0    | -0.0  | 0.0  | -0.1 | -0.1  | 0.0    | 0.0  | 0.0  | -0.0 | 0.0   | +0.1<br>-        |

# Overseas Sales Subsidiaries Segment

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

(thousand tons)





# Other Segment

Wood : Despite weak prices as the impact of the wood shock subsided, income up due to increase in high-margin products.  
 Machinery : Income increased due to completion of major projects.

| (billions of yen)                  | FY2022 |      |      |      |       | FY2023 |      |      |      |       | Y on Y Change   |
|------------------------------------|--------|------|------|------|-------|--------|------|------|------|-------|-----------------|
|                                    | 1Q     | 2Q   | 3Q   | 4Q   | Total | 1Q     | 2Q   | 3Q   | 4Q   | Total | (Y on Y Rate)   |
| Net Sales                          | 39.3   | 40.5 | 34.0 | 32.0 | 146.0 | 33.0   | 28.6 | 28.9 | 28.6 | 119.2 | -26.7<br>(-18%) |
| Ordinary income                    | 1.7    | 0.5  | 0.3  | 0.4  | 3.0   | 1.5    | 0.3  | 0.5  | 1.2  | 3.6   | +0.5<br>(+17%)  |
| Parent only                        | 1.6    | 0.2  | 0.1  | 0.3  | 2.3   | 1.4    | 0.1  | 0.4  | 1.0  | 3.0   | +0.6<br>(+26%)  |
| Domestic consolidated subsidiaries | 0.1    | 0.2  | 0.1  | 0.1  | 0.7   | 0.1    | 0.1  | 0.0  | 0.2  | 0.6   | -0.1<br>(-15%)  |
| Overseas consolidated subsidiaries | —      | —    | —    | —    | —     | —      | —    | —    | —    | —     | —               |
| Equity in earnings of affiliates   | —      | —    | —    | —    | —     | —      | —    | —    | —    | —     | —               |
| Adjustment                         | -0.0   | 0.0  | 0.0  | -0.0 | -0.0  | -0.0   | 0.0  | 0.0  | -0.0 | -0.0  | -0.0<br>(+10%)  |

# Actual Ordinary Income by Segment

(billions of yen)

| Segments                    | Net Sales      | Accounting Ordinary Income | Valuation and Temporary Items |                      |                            |                        | Actual Ordinary Income |
|-----------------------------|----------------|----------------------------|-------------------------------|----------------------|----------------------------|------------------------|------------------------|
|                             |                |                            | Inventory Valuation           | Derivative Valuation | Foreign Exchange Valuation | Other One-time Factors |                        |
| Steel                       | 1,240.0        | 25.6                       | -1.1                          | —                    | 1.3                        | 0.4                    | 24.9                   |
| Primary Metal               | 223.0          | 8.6                        | 0.0                           | 0.0                  | -1.1                       | —                      | 9.6                    |
| Metal Recycling             | 116.7          | 1.1                        | 0.0                           | -0.1                 | 0.0                        | —                      | 1.2                    |
| Foods                       | 122.9          | 1.3                        | 0.5                           | —                    | 0.1                        | —                      | 0.6                    |
| Energy & Living Materials   | 346.5          | 6.5                        | 0.0                           | -0.7                 | 0.0                        | 0.1                    | 7.0                    |
| Overseas Sales Subsidiaries | 338.9          | 7.8                        | 0.2                           | 0.1                  | 0.0                        | 0.9                    | 6.5                    |
| Other                       | 119.2          | 3.6                        | 0.0                           | —                    | -0.3                       | —                      | 3.8                    |
| Adjustment                  | -75.4          | -6.4                       | —                             | —                    | -8.7                       | —                      | 2.2                    |
| <b>Total</b>                | <b>2,431.9</b> | <b>48.2</b>                | <b>-0.1</b>                   | <b>-0.7</b>          | <b>-8.6</b>                | <b>1.5</b>             | <b>56.2</b>            |

# Run Up to HANWA 2030

A thick green horizontal bar that tapers into a right-pointing arrow shape on the right side.

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.