

FINANCIAL RESULTS

for the Fiscal Year ended March 31,2007

May 23,2007

HANWA CO.,LTD.

- Our sales amount for the fiscal year ended March 31,2007 became 1,320.0 billion yen, rise of 20.3% on the same period of last year by rise of the market price of steel products and scrap, and by active sale such as nonferrous metals. On profit side, although it was equivalent level of last year for the iron and steel business, the net income was 11.4 billion yen of ratio 8.8% increase for the same period of last year by extension of a non-iron business.
- We archived sales amount and earnings target of the mid-term business plan ended in March 2007.
- We plan the year-end dividend payment of 5 yen and the commemorative dividend of 2 yen for the 60th anniversary of foundation.As a result ,the planned annual dividend for FY2006 (year ended March 31,2007) will be 12yen per share.
- As for Fiscal Year ending March 31,2008, the interim dividend of 6 yen and the year-end dividend of 6 yen, thus 12 yen per share for the year are planned.

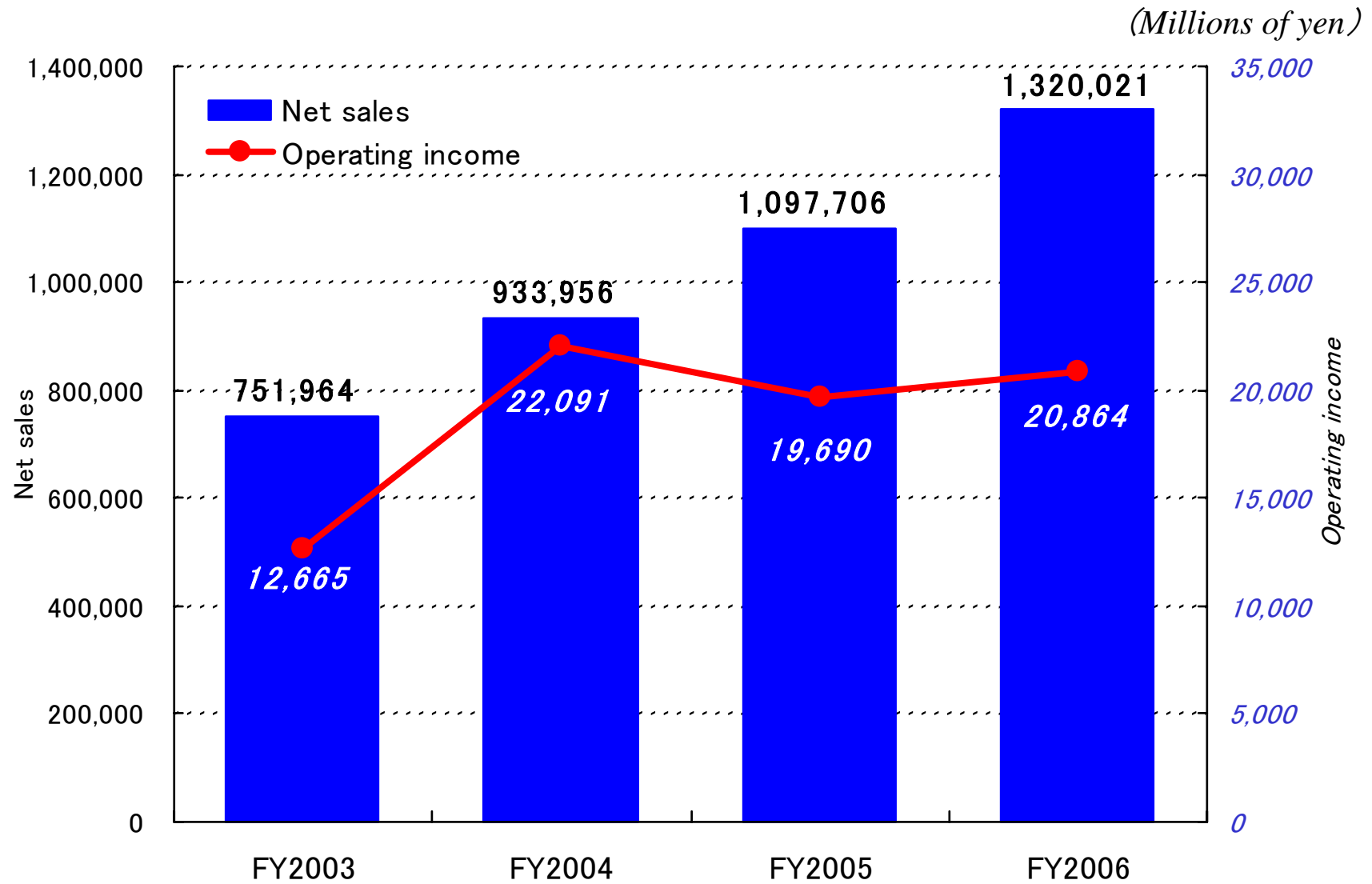
Consolidated Financial Results



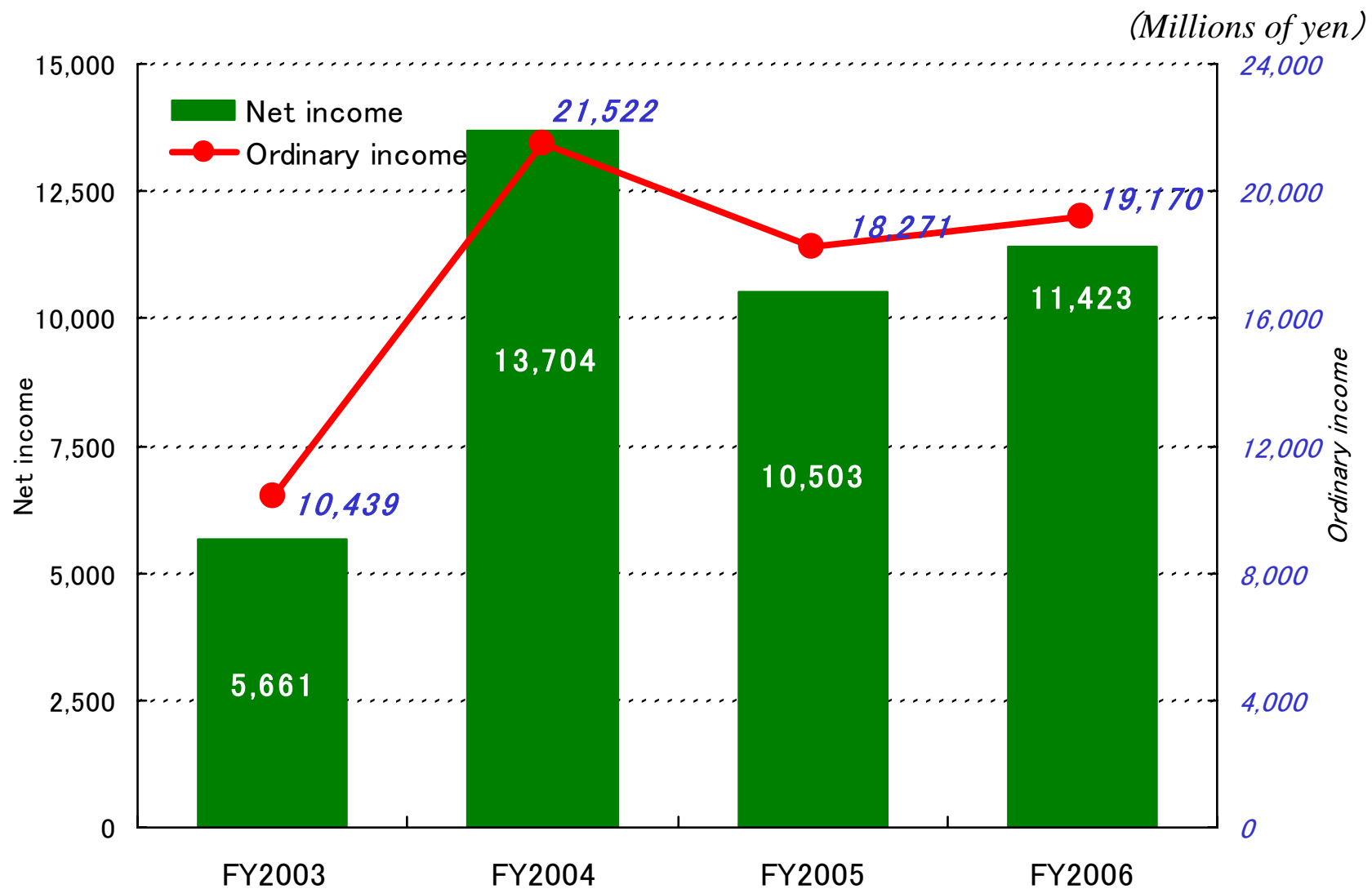
(Millions of yen)

| | FY2006 (year ended March 31,2007) | FY2005 (year ended March 31,2006) | Rate of change |
|------------------|--|--|-----------------------|
| Net sales | 1,320,021 | 1,097,706 | +20.3% |
| Operating income | 20,864 | 19,690 | +6.0% |
| Ordinary income | 19,170 | 18,271 | +4.9% |
| Net income | 11,423 | 10,503 | +8.8% |

Changes in Net sales (consolidated)



Changes in Net income (consolidated)



Financial Position (consolidated)



(Millions of yen)

| | FY2006 (March 31,2007) | FY2005 (March 31,2006) | Rate of change |
|-------------------------------------|----------------------------------|----------------------------------|-----------------------|
| Total assets | 476,178 | 413,020 | + 15.3% |
| Total liabilities | 377,924 | 326,066 | + 15.9% |
| Shareholders' equity | 98,254 | 86,145 | + 15.3% |
| Shareholders' equity ratio | 20.5% | 20.9% | |
| Shareholders' equity per share(yen) | 461.21 | 406.68 | + 13.4% |
| Net debt/equity ratio | 166.5% | 138.1% | |

Cash Flows Situation (consolidated)



(Millions of yen)

| | FY2006 (year ended March 31,2007) | FY2005 (year ended March 31,2006) | Rate of change |
|--|--|--|-----------------------|
| Cash flows from Operating activities | △36,192 | 22,299 | |
| Cash flows from Investing activities | △5,955 | △14,079 | △57.7% |
| Cash flows from Financing activities | 34,325 | △7,497 | |
| Cash and cash equivalents at end of year | 10,228 | 18,985 | △46.1% |

Segment Information (consolidated)



(Millions of yen)

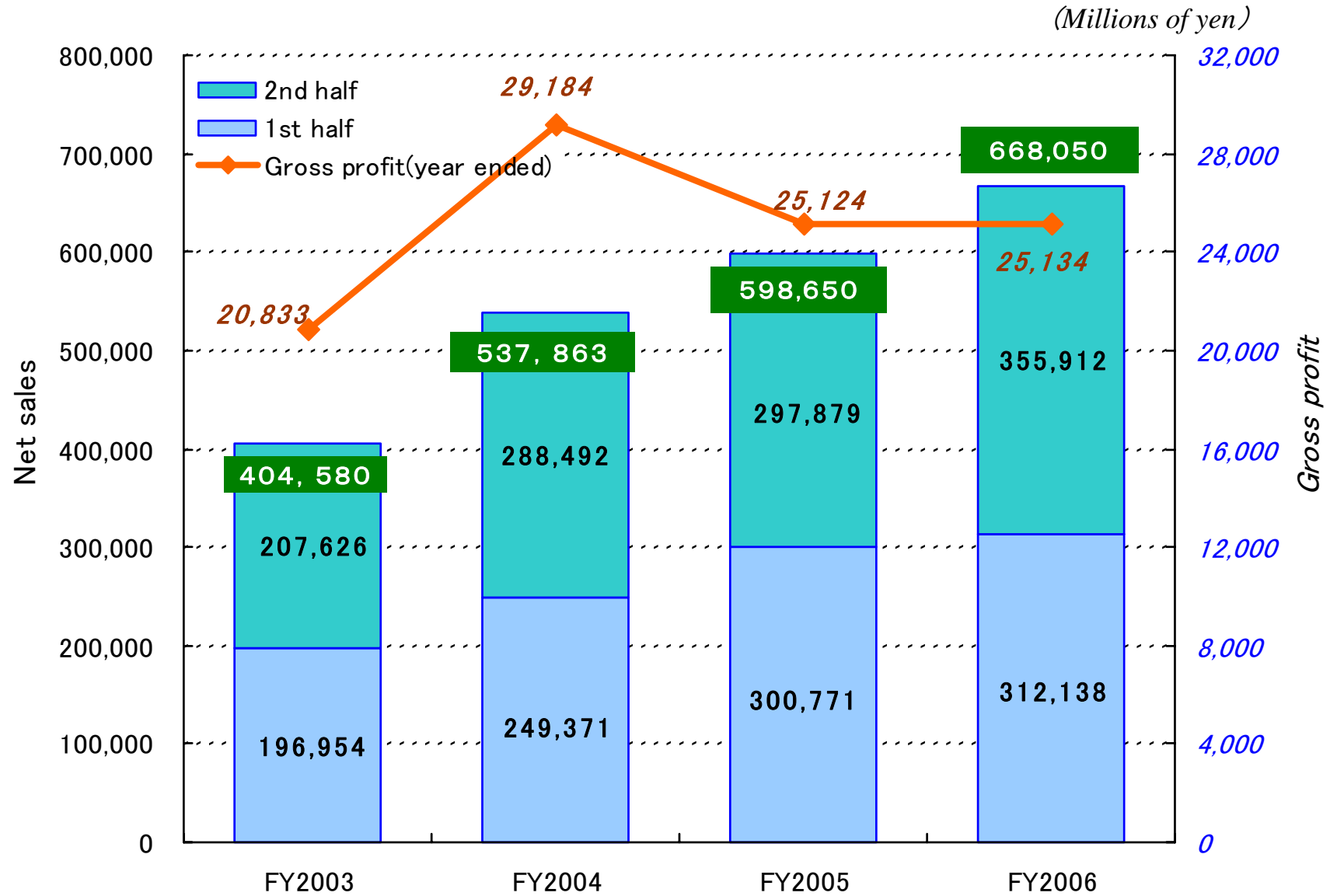
| FY2006 | Steel | Non-ferrous Metals | Foods | Petroleum and Chemicals | Other Business | Total | Corporate | Consolidated |
|-------------------|---------|--------------------|--------|-------------------------|----------------|-----------|-----------|--------------|
| Net sales | 689,187 | 242,952 | 91,953 | 237,342 | 58,585 | 1,320,021 | — | 1,320,021 |
| Costs and Expense | 674,851 | 235,708 | 91,362 | 235,110 | 56,543 | 1,293,577 | 5,579 | 1,299,157 |
| Operating income | 14,335 | 7,243 | 591 | 2,232 | 2,041 | 26,444 | △5,579 | 20,864 |

| FY2005 | Steel | Non-ferrous Metals | Foods | Petroleum and Chemicals | Other Business | Total | Corporate | Consolidated |
|-------------------|---------|--------------------|--------|-------------------------|----------------|-----------|-----------|--------------|
| Net sales | 614,045 | 139,108 | 87,624 | 210,254 | 46,672 | 1,097,706 | — | 1,097,706 |
| Costs and Expense | 599,574 | 133,750 | 86,874 | 207,745 | 44,906 | 1,072,850 | 5,165 | 1,078,016 |
| Operating income | 14,470 | 5,358 | 749 | 2,509 | 1,766 | 24,855 | △5,165 | 19,690 |

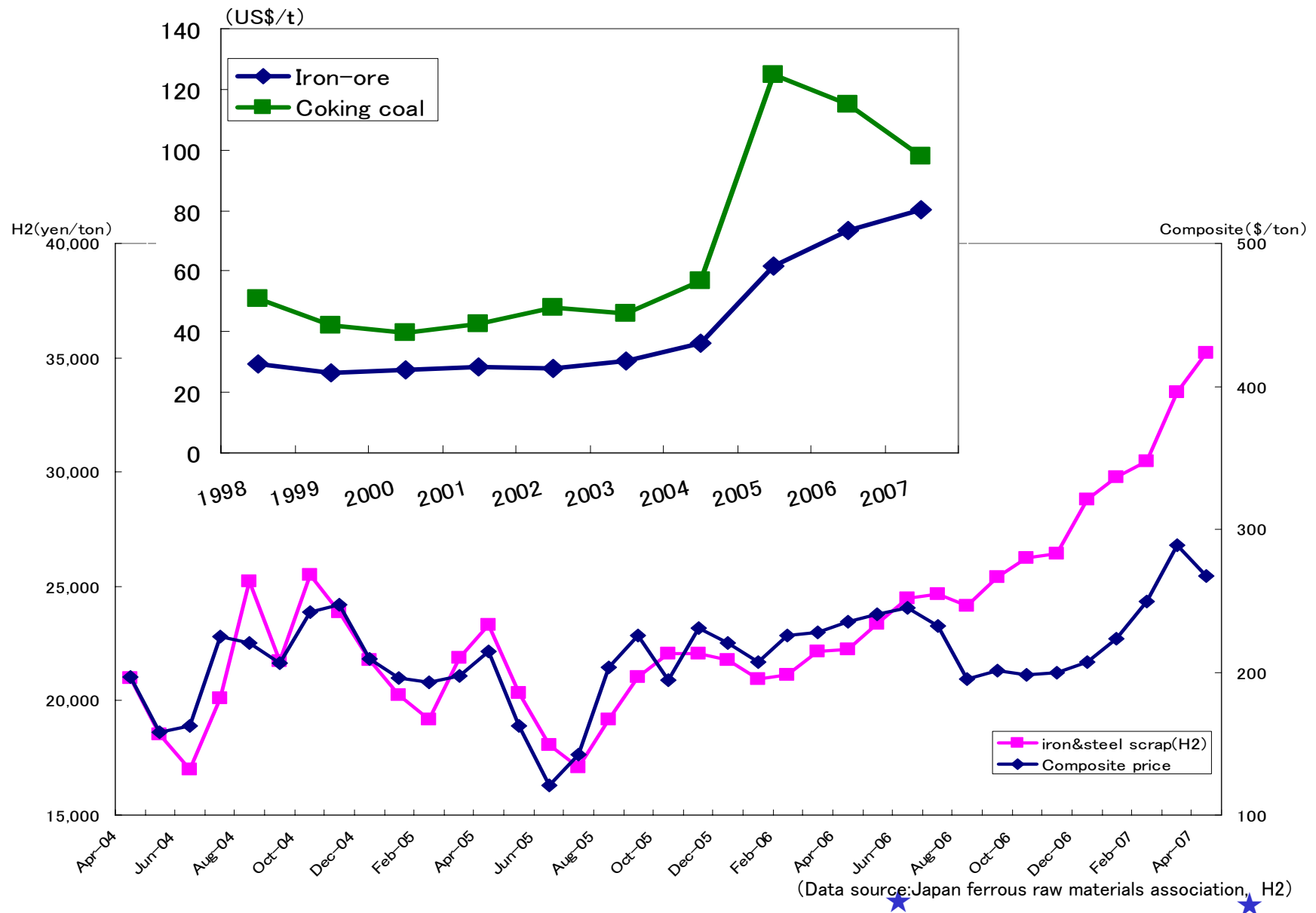
Amount of difference

| | Steel | Non-ferrous Metals | Foods | Petroleum and Chemicals | Other Business | Total | Corporate | Consolidated |
|------------------|--------|--------------------|-------|-------------------------|----------------|---------|-----------|--------------|
| Net sales | 75,142 | 103,844 | 4,329 | 27,088 | 11,913 | 222,315 | — | 222,315 |
| Operating income | △135 | 1,885 | △158 | △277 | 275 | 1,589 | △414 | 1,174 |

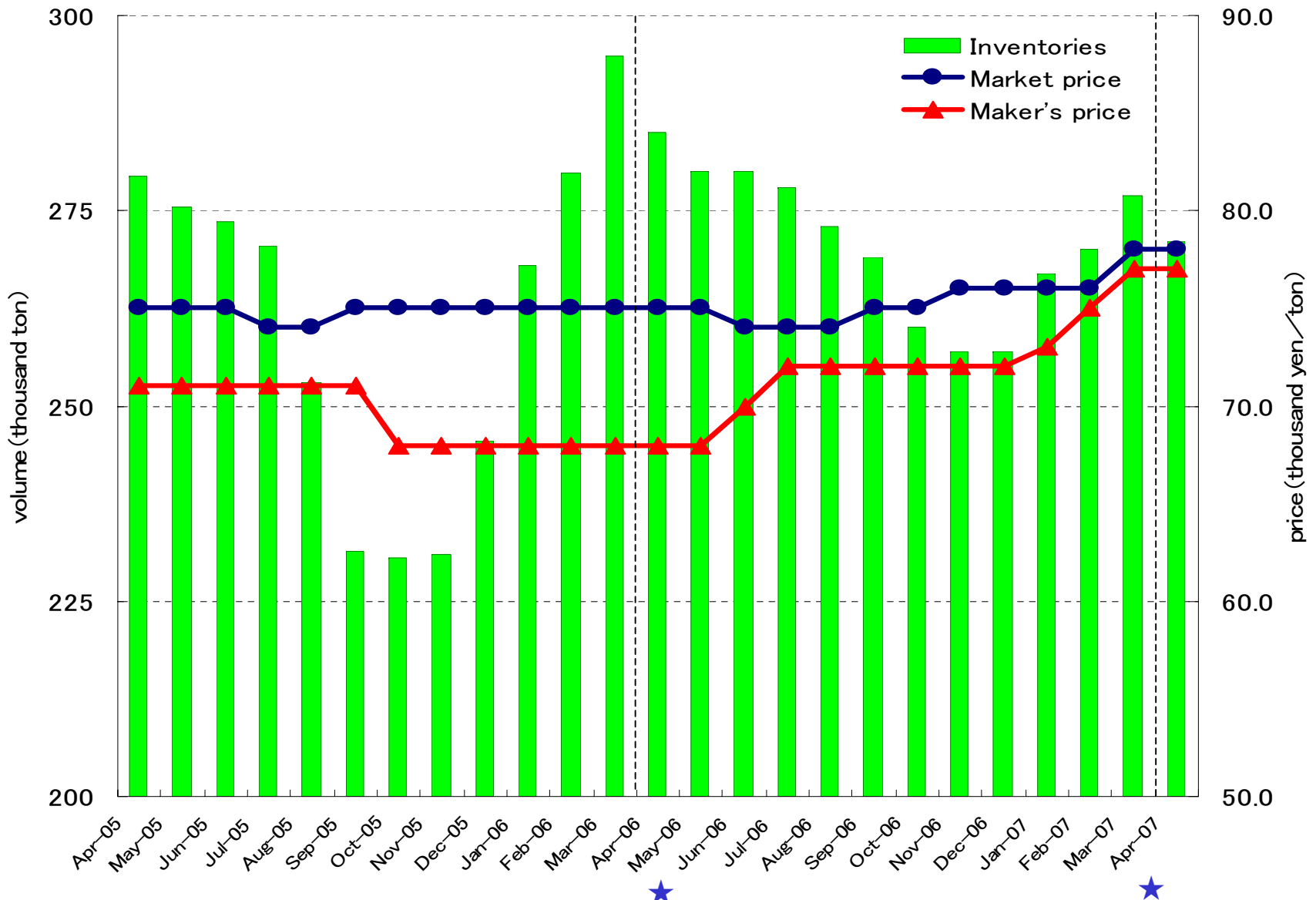
Sales and Profit by Steel Segment(unconsolidated)



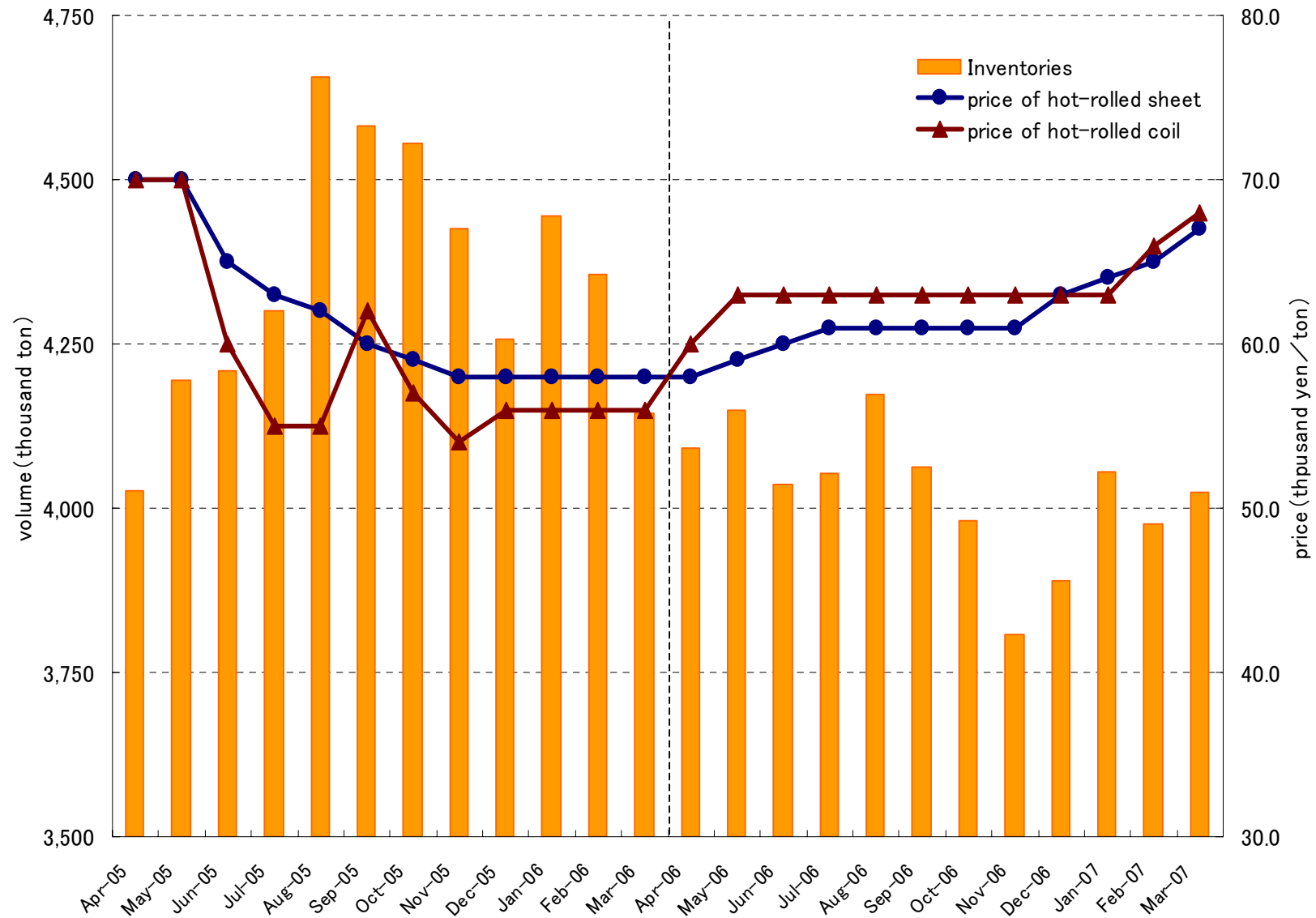
Transition of Iron & Steel Scrap Markets



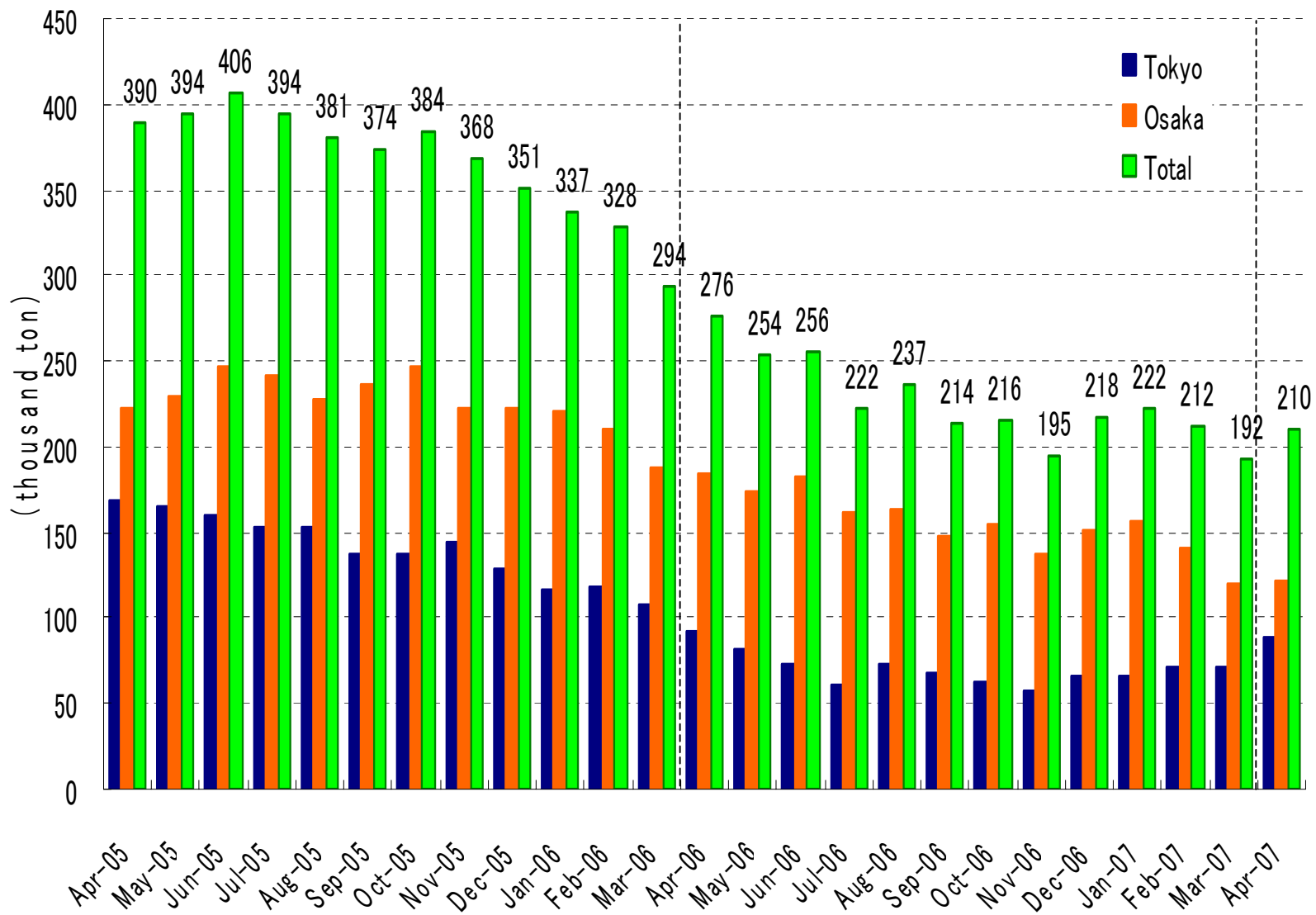
Transition of the H shaped steel Markets



Transition of Thin Steel Plates Markets



Transition of Steel-coils Inventory on the Quay



Study by Hanwa co.,ltd.

Segment Information (consolidated)



(Millions of yen)

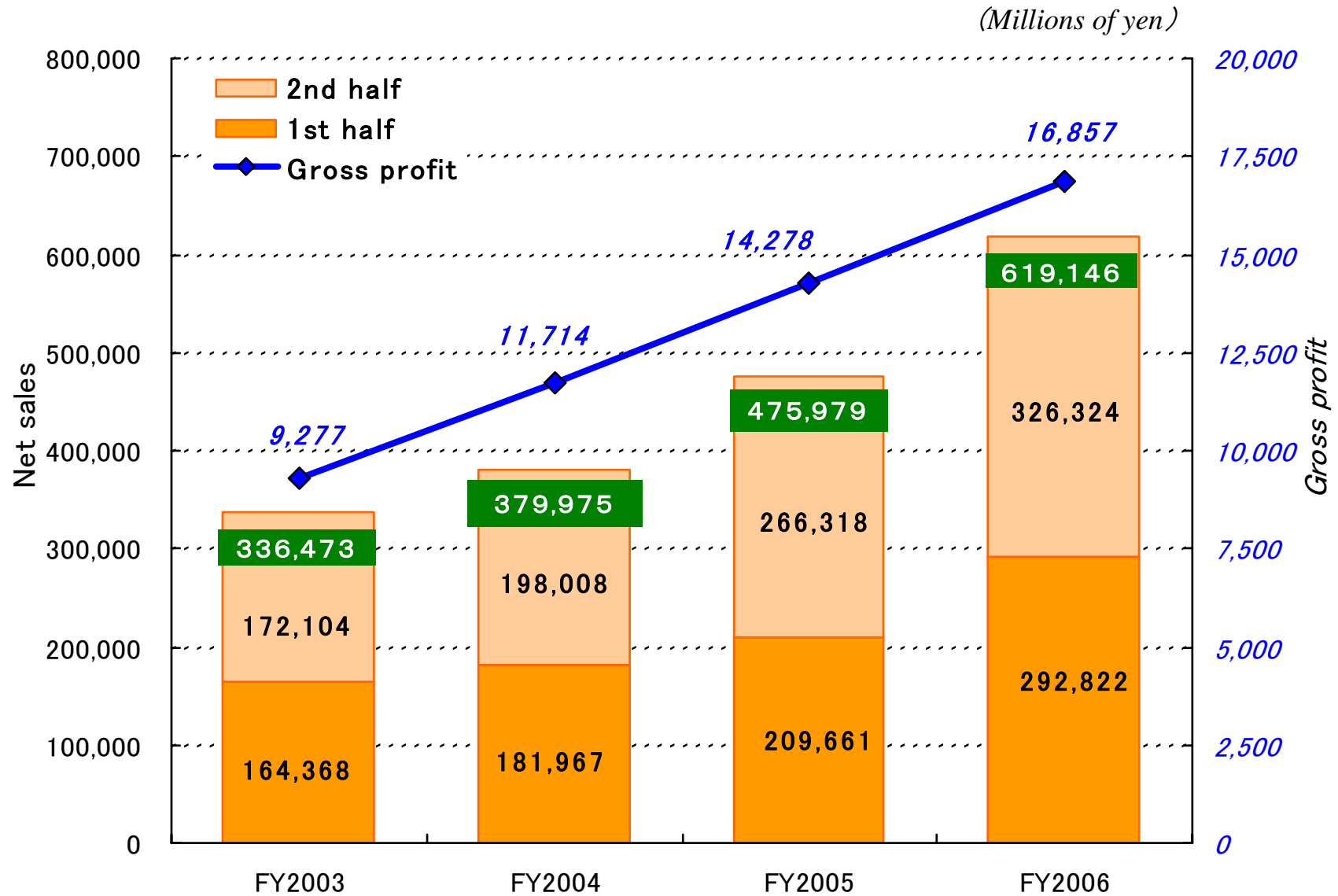
| FY2006 | Steel | Non-ferrous Metals | Foods | Petroleum and Chemicals | Other Business | Total | Corporate | Consolidated |
|-------------------|---------|--------------------|--------|-------------------------|----------------|-----------|-----------|--------------|
| Net sales | 689,187 | 242,952 | 91,953 | 237,342 | 58,585 | 1,320,021 | — | 1,320,021 |
| Costs and Expense | 674,851 | 235,708 | 91,362 | 235,110 | 56,543 | 1,293,577 | 5,579 | 1,299,157 |
| Operating income | 14,335 | 7,243 | 591 | 2,232 | 2,041 | 26,444 | △5,579 | 20,864 |

| FY2005 | Steel | Non-ferrous Metals | Foods | Petroleum and Chemicals | Other Business | Total | Corporate | Consolidated |
|-------------------|---------|--------------------|--------|-------------------------|----------------|-----------|-----------|--------------|
| Net sales | 614,045 | 139,108 | 87,624 | 210,254 | 46,672 | 1,097,706 | — | 1,097,706 |
| Costs and Expense | 599,574 | 133,750 | 86,874 | 207,745 | 44,906 | 1,072,850 | 5,165 | 1,078,016 |
| Operating income | 14,470 | 5,358 | 749 | 2,509 | 1,766 | 24,855 | △5,165 | 19,690 |

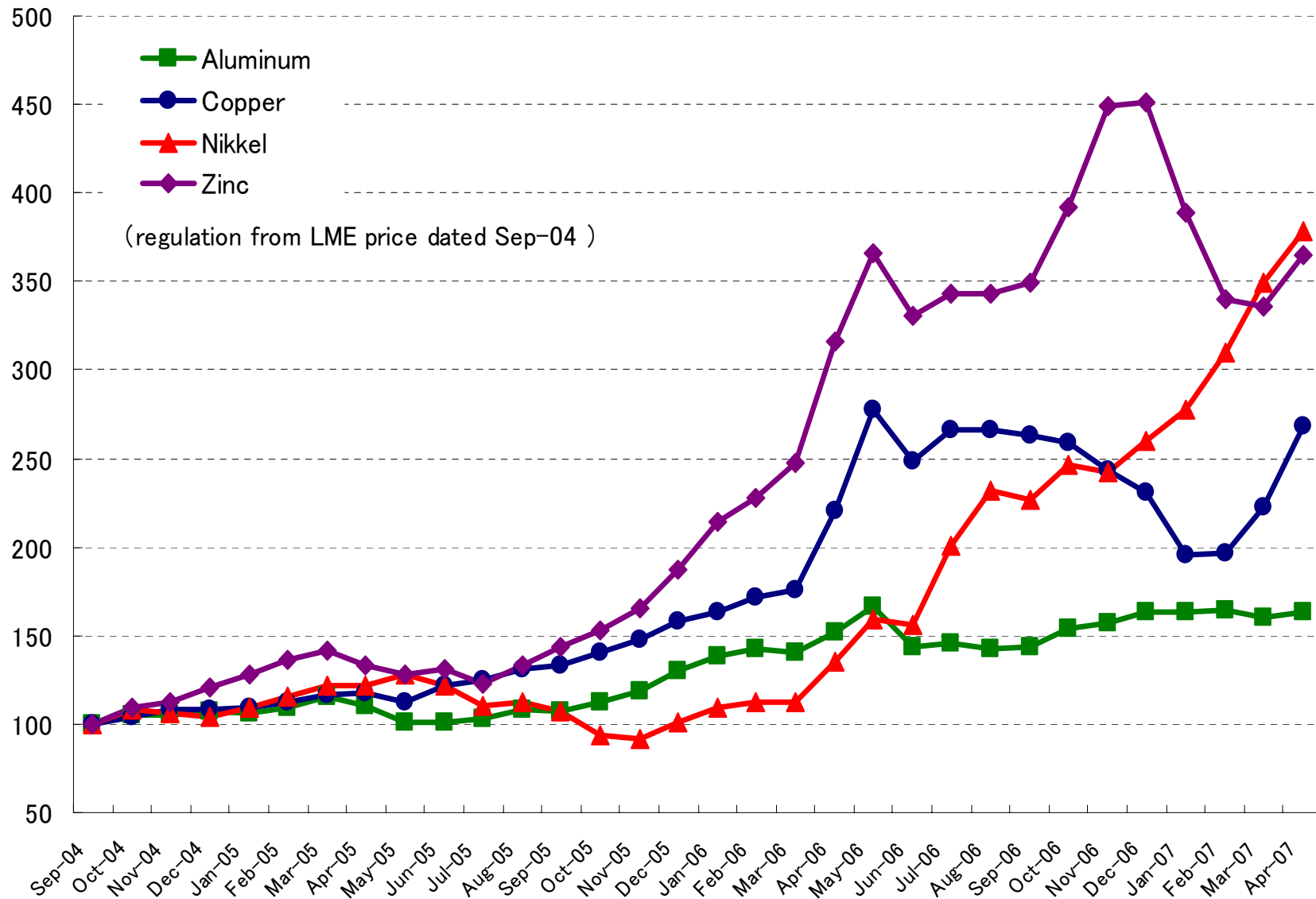
Amount of difference

| | Steel | Non-ferrous Metals | Foods | Petroleum and Chemicals | Other Business | Total | Corporate | Consolidated |
|------------------|--------|--------------------|-------|-------------------------|----------------|---------|-----------|--------------|
| Net sales | 75,142 | 103,844 | 4,329 | 27,088 | 11,913 | 222,315 | — | 222,315 |
| Operating income | △135 | 1,885 | △158 | △277 | 275 | 1,589 | △414 | 1,174 |

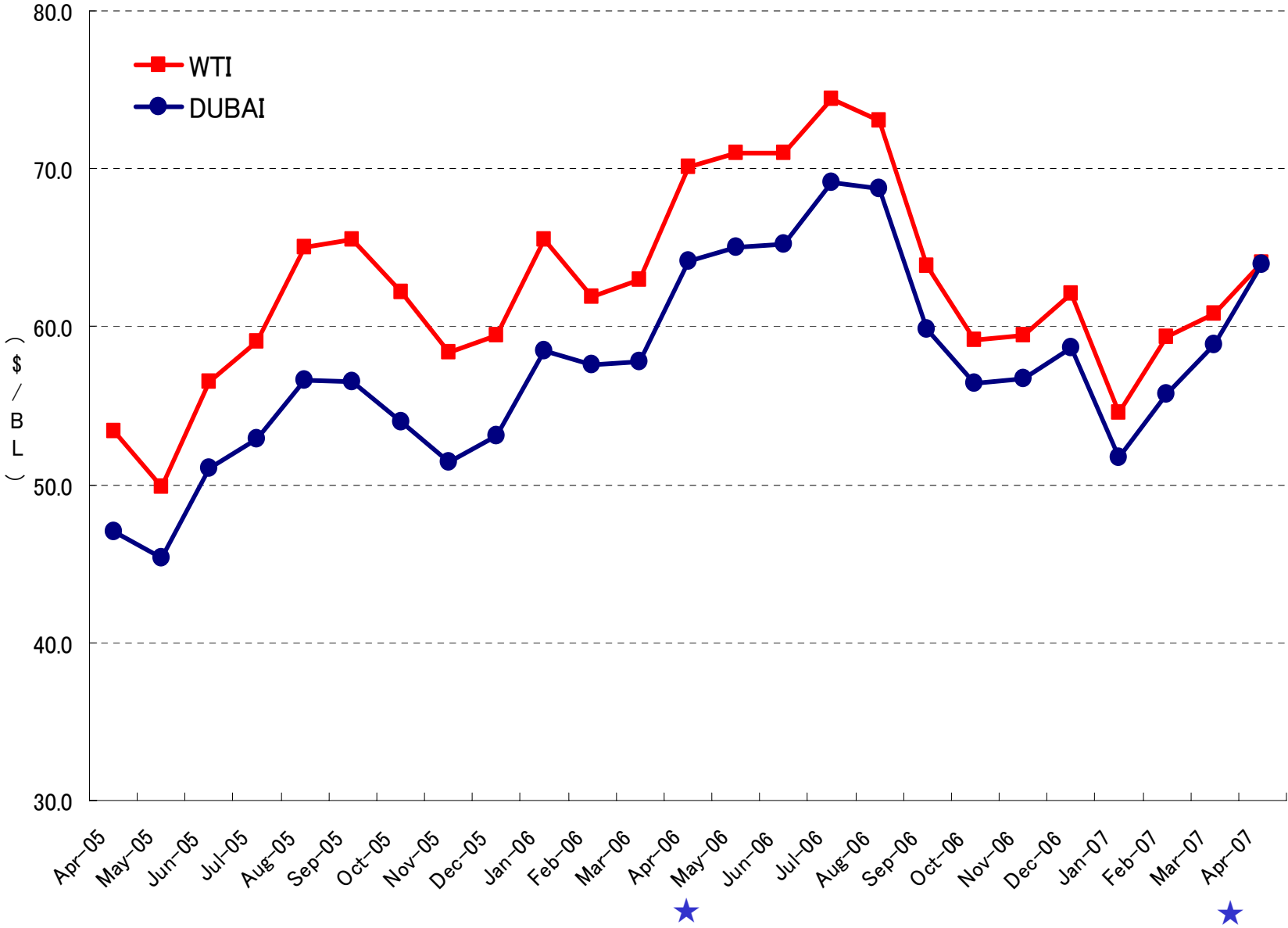
Sales and Profit by Non-steel Segment(unconsolidated)



Transition of Non-ferrous Metals Markets



Transition of Crude Oil Markets



Comparison of Results and Mid-term Business Plan



| consolidated | FY2005 (year ended March 31,2006) | FY2006 (year ended March 31,2007) | Last year of MTBP (FY2006) | Achievement Rate |
|--|---|---|-------------------------------|---------------------|
| Net sales <i>(Billions of yen)</i> | 1,097.7 | 1,320.0 | 920.0 | 143.5% |
| Operating income <i>(Billions of yen)</i> | 19.6 | 20.8 | 15.6 | 133.3% |
| Ordinary income <i>(Billions of yen)</i> | 18.2 | 19.1 | 12.5 | 152.8% |
| ROA | 2.7% | 2.6% | 2.1% | 122.3% |
| ROE | 13.2% | 12.4% | 10.0% | 124.4% |
| BPS <i>(yen)</i> | 406.68 | 461.21 | 370.00 | 124.7% |
| Net debt/equity ratio | 138.1% | 166.5% | 120.0% | — |

Business Forecast FY2007(year ended March 31,2008)



consolidated

(Millions of yen)

| | Interim | FY2007 | FY2006 |
|------------------|---------|-----------|-----------|
| Net sales | 674,000 | 1,376,000 | 1,320,021 |
| Operating income | 10,800 | 22,400 | 20,864 |
| Ordinary income | 10,000 | 20,000 | 19,170 |
| Net income | 6,000 | 12,000 | 11,423 |

unconsolidated

| | Interim | FY2007 | FY2006 |
|------------------|---------|-----------|-----------|
| Net sales | 653,000 | 1,334,000 | 1,287,196 |
| Operating income | 10,000 | 20,800 | 19,110 |
| Ordinary income | 9,300 | 18,500 | 17,550 |
| Net income | 5,600 | 11,100 | 10,445 |

| | Year | | |
|----------------------|---------|----------|------|
| | Interim | Year-end | |
| Cash dividends (yen) | 12.00 | 6.00 | 6.00 |

HANWA's China Business (unconsolidated)



Export
to
China

| <i>(Millions of yen)</i> | FY2006 | FY2005 | Amount of Difference |
|--------------------------|----------------|---------------|----------------------|
| Steel | 58,195 | 52,830 | +5,365 |
| Non-ferrous Metals | 31,890 | 18,638 | +13,252 |
| Foods | 6,706 | 5,822 | +884 |
| Petroleum and Chemicals | 12,206 | 8,438 | +3,768 |
| Other Business | 2,701 | 1,168 | +1,533 |
| Total | 111,698 | 86,896 | +24,802 |

Including sales of materials for processing dealings.

Import
From
China

| <i>(Millions of yen)</i> | FY2006 | FY2005 | Amount of Difference |
|--------------------------|---------------|---------------|----------------------|
| Steel | 1,027 | 475 | +552 |
| Non-ferrous Metals | 21,023 | 12,749 | +8,274 |
| Foods | 15,673 | 11,945 | +3,728 |
| Petroleum and Chemicals | 1,867 | 1,021 | +846 |
| Other Business | 10,716 | 8,020 | +2,696 |
| Total | 50,306 | 34,210 | +16,096 |

Including purchase of products for processing dealings.

A Cautionary Note on Forward-looking Statement



This material contains statements (including figures) regarding Hanwa Co.,Ltd.(“Hanwa”)’s corporate strategies, objectives, and views of future developments that are forward-looking in nature and are not simply reiterations of historical facts. These statements are presented to inform stakeholders of the Views of Hanwa’s management but should not be relied on solely in making investment and other decisions. Readers should not place undue reliance on forward-looking statements.