

FINANCIAL RESULTS

for the Fiscal Year ended March 31, 2008

May 22, 2008

HANWA CO.,LTD.

- *Our sales amount for the fiscal year ended March 31, 2008 was 1,507.5 billion yen, showing 14.2% increase over the same period of last year by rise of the market price and by active sales of steel products, metals & alloys, and petroleum products. On profit side, the net income was 13.1 billion yen, up 14.8% from the same period of last year by extension of steels and metals business. We archived record-high sales amount and operating income.*
- *We plan the year-end dividend payment of 6 yen. As a result, the planned annual dividend for FY2007 (year ended March 31, 2008) will be 12yen per share.*
- *As for Fiscal Year ending March 31, 2009, the interim dividend of 6 yen and the year-end dividend of 6 yen, thus 12 yen per share for the year are planned.*
- *We have archived over 90 percent of sales amount and earnings target of the mid-term business plan ended in March 2010, as a result of expanding business supported by active market.*

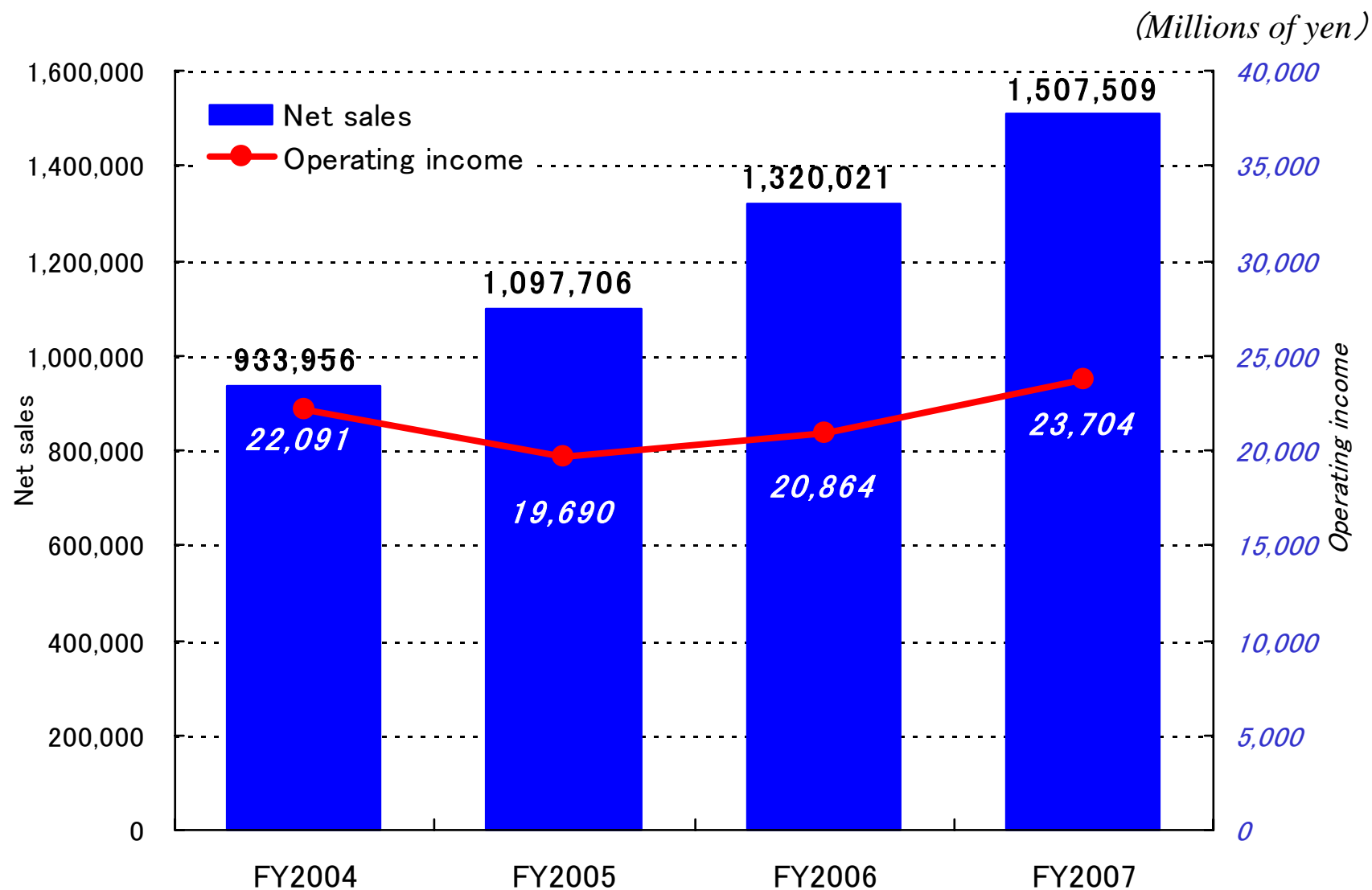
Operating Results (consolidated)



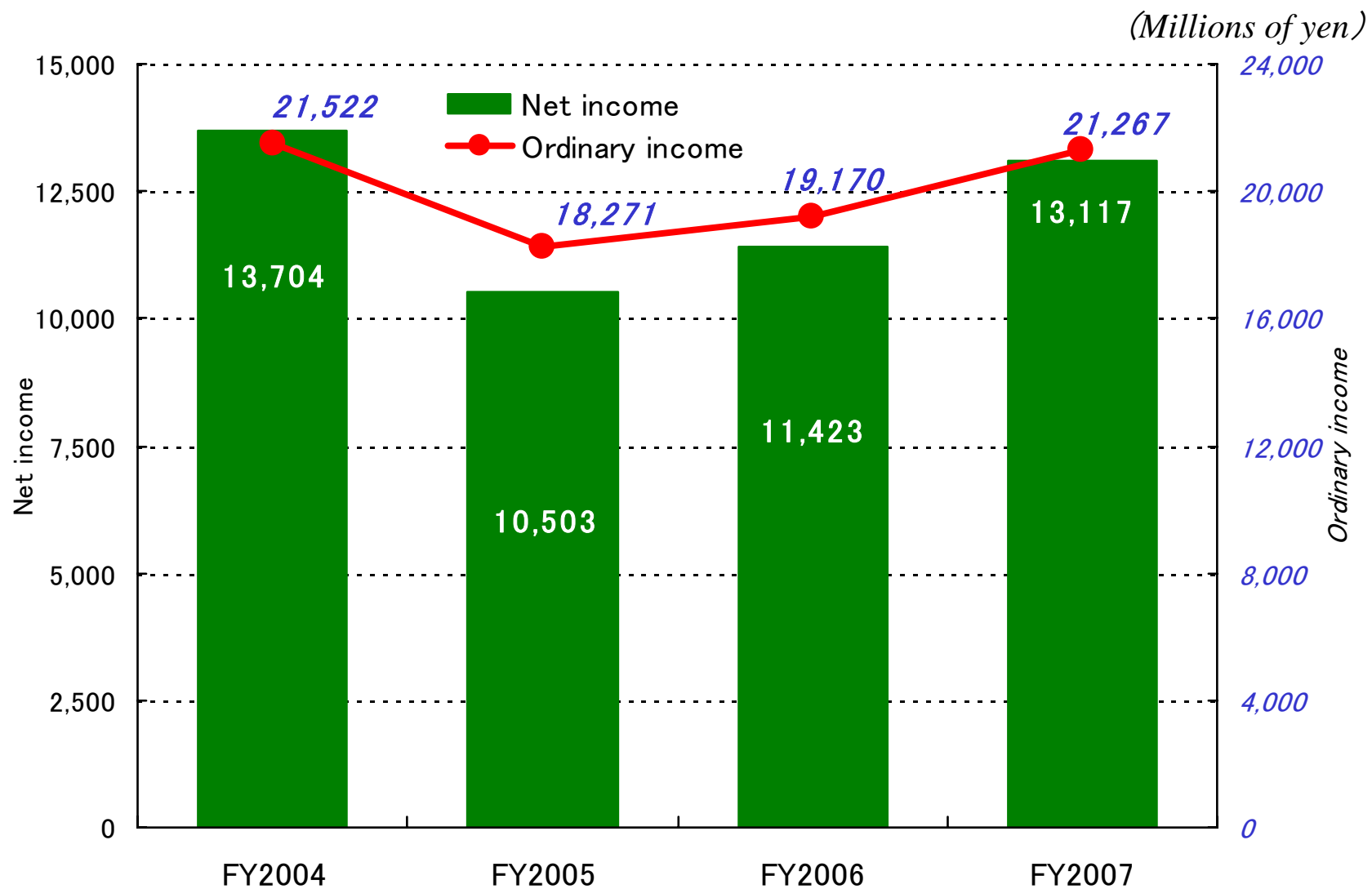
(Millions of yen)

	<i>FY2007</i> <i>(year ended March 31, 2008)</i>	<i>FY2006</i> <i>(year ended March 31, 2007)</i>	<i>Rate of change</i>
<i>Net sales</i>	<i>1,507,509</i>	<i>1,320,021</i>	<i>+14.2%</i>
<i>Operating income</i>	<i>23,704</i>	<i>20,864</i>	<i>+13.6%</i>
<i>Ordinary income</i>	<i>21,267</i>	<i>19,170</i>	<i>+10.9%</i>
<i>Net income</i>	<i>13,117</i>	<i>11,423</i>	<i>+14.8%</i>

Changes in Net sales (consolidated)



Changes in Net income (consolidated)



Financial Position (consolidated)



(Millions of yen)

	FY2007 <i>(March 31, 2008)</i>	FY2006 <i>(March 31, 2007)</i>	Rate of change
Total assets	482,014	476,178	+1.2%
Total liabilities	381,088	377,924	+0.8%
Shareholders' equity	100,926	98,254	+2.7%
Shareholders' equity ratio	20.7%	20.5%	
Shareholders' equity per share(yen)	473.70	461.21	+2.7%
Net debt/equity ratio	151.7%	166.5%	-8.9%

Cash Flows Situation (consolidated)



(Millions of yen)

	<i>FY2007</i> <i>(year ended March 31, 2008)</i>	<i>FY2006</i> <i>(year ended March 31, 2007)</i>	<i>Rate of change</i>
<i>Cash flows from Operating activities</i>	21,430	(36,192)	
<i>Cash flows from Investing activities</i>	(8,443)	(5,955)	+41.8%
<i>Cash flows from Financing activities</i>	(9,144)	34,325	
<i>Cash and cash equivalents at end of year</i>	14,178	10,228	+38.6%

Segment Information (consolidated)



Net sales

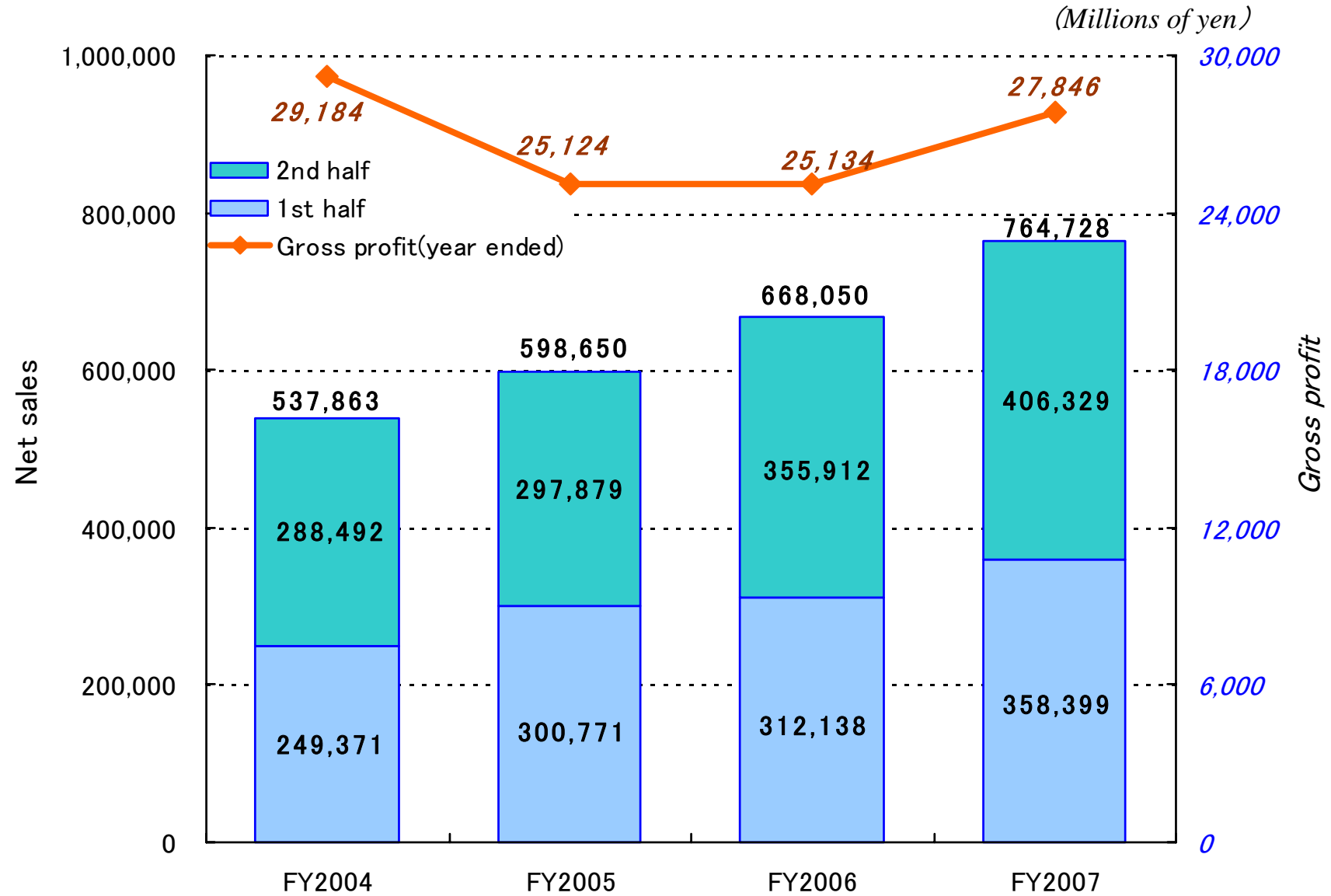
	<i>FY2007</i>	<i>FY2006</i>	<i>Rate of change</i>
<i>Steel</i>	790,340	689,187	+14.7%
<i>Metals & alloys</i>	202,019	177,554	+13.8%
<i>Non-ferrous metals</i>	65,344	65,398	-0.1%
<i>Foods</i>	84,671	91,953	-7.9%
<i>Petroleum & chemicals</i>	311,480	237,342	+31.2%
<i>Others</i>	53,652	58,585	-8.4%
<i>Total</i>	1,507,509	1,320,021	+14.2%
<i>Corporate</i>	—	—	—
<i>Consolidated</i>	1,507,509	1,320,021	+14.2%

Operating income

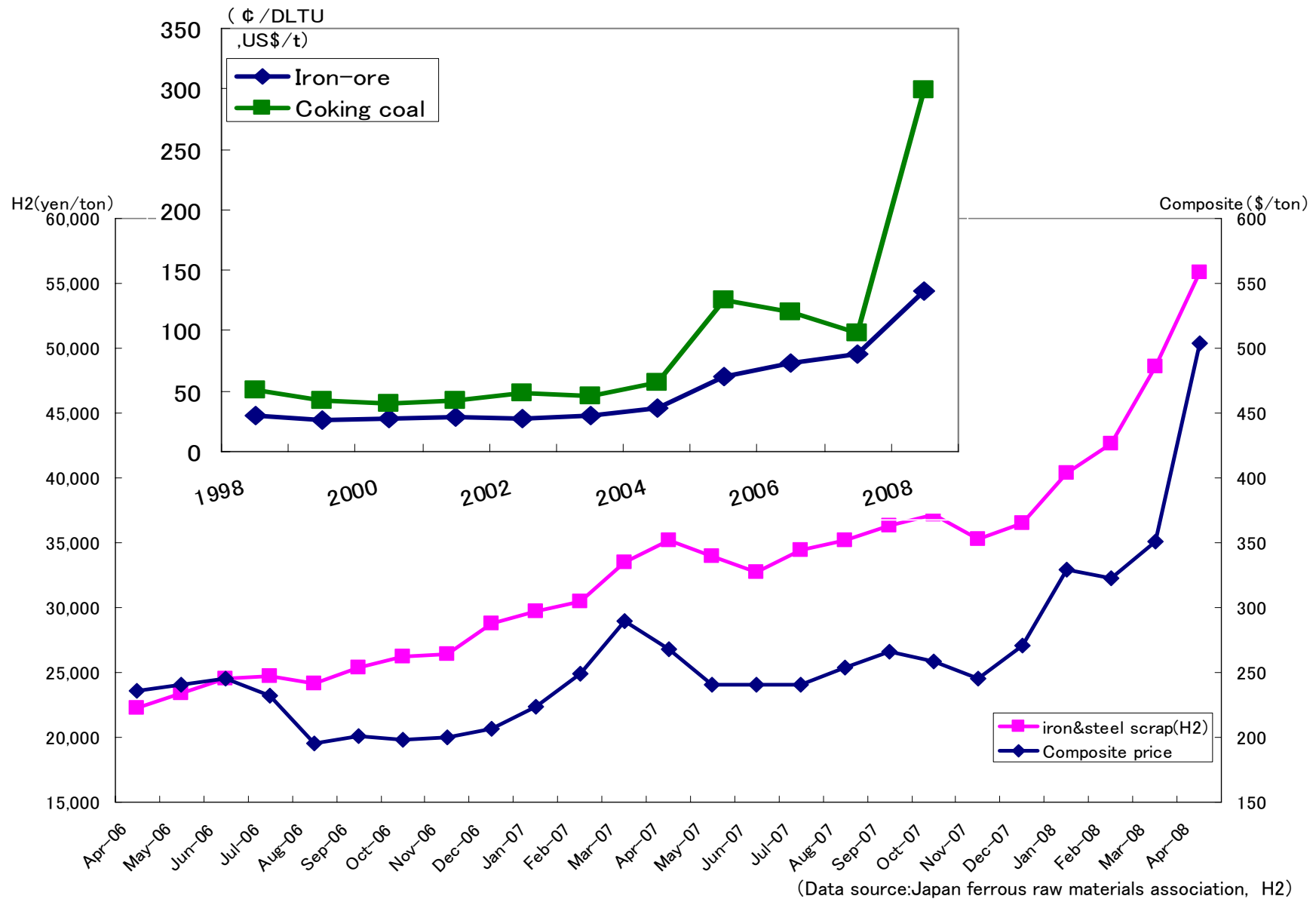
(Millions of yen)

	<i>FY2007</i>	<i>FY2006</i>	<i>Rate of change</i>
<i>Steel</i>	15,874	14,335	+10.7%
<i>Metals & alloys</i>	6,619	5,000	+32.4%
<i>Non-ferrous metals</i>	2,014	2,243	-10.2%
<i>Foods</i>	776	591	+31.3%
<i>Petroleum & chemicals</i>	2,545	2,232	+14.0%
<i>Others</i>	1,424	2,041	-30.2%
<i>Total</i>	29,256	26,444	+10.6%
<i>Corporate</i>	(5,552)	(5,579)	-0.5%
<i>Consolidated</i>	23,704	20,864	+13.6%

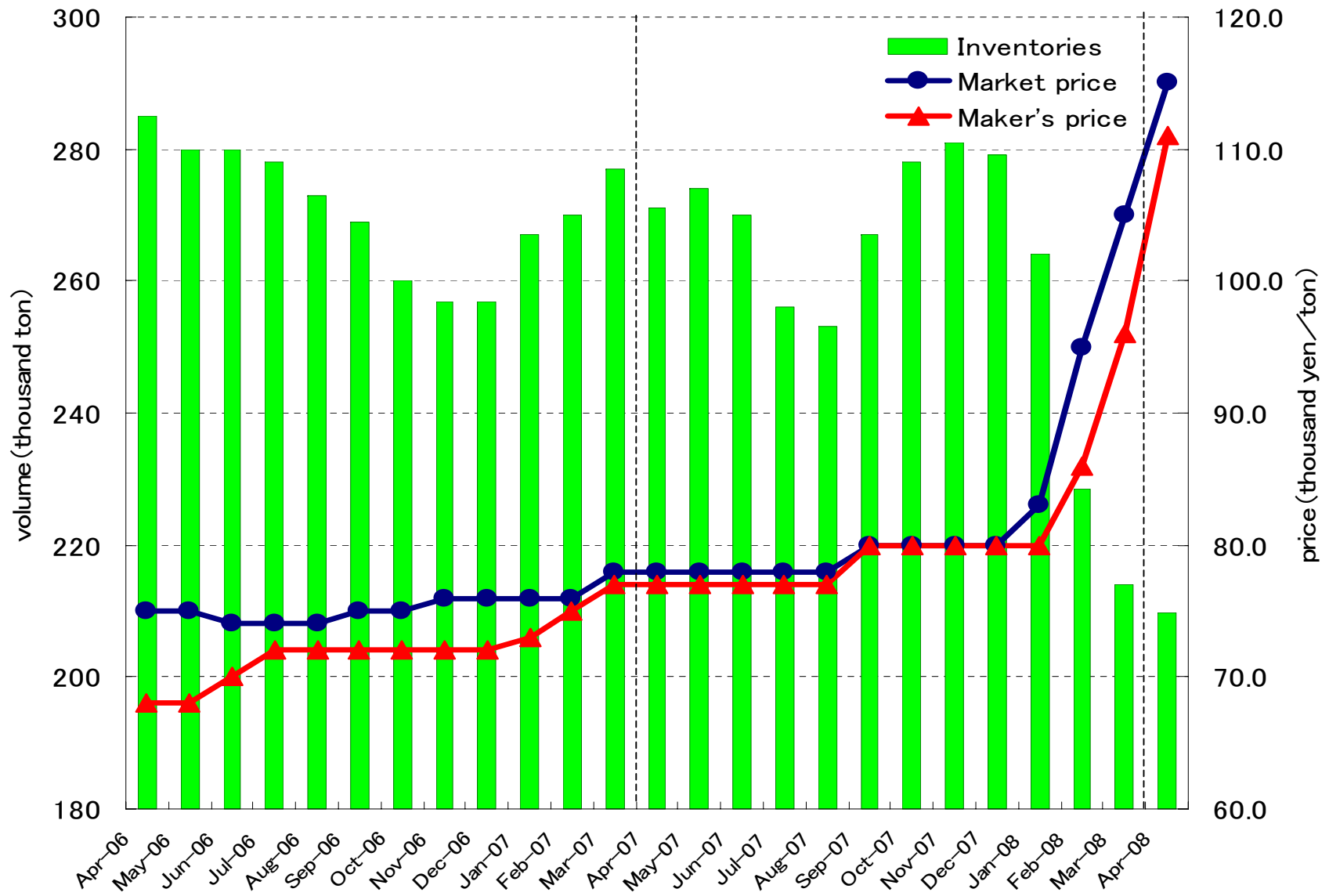
Sales and Profit by Steel Segment (unconsolidated)



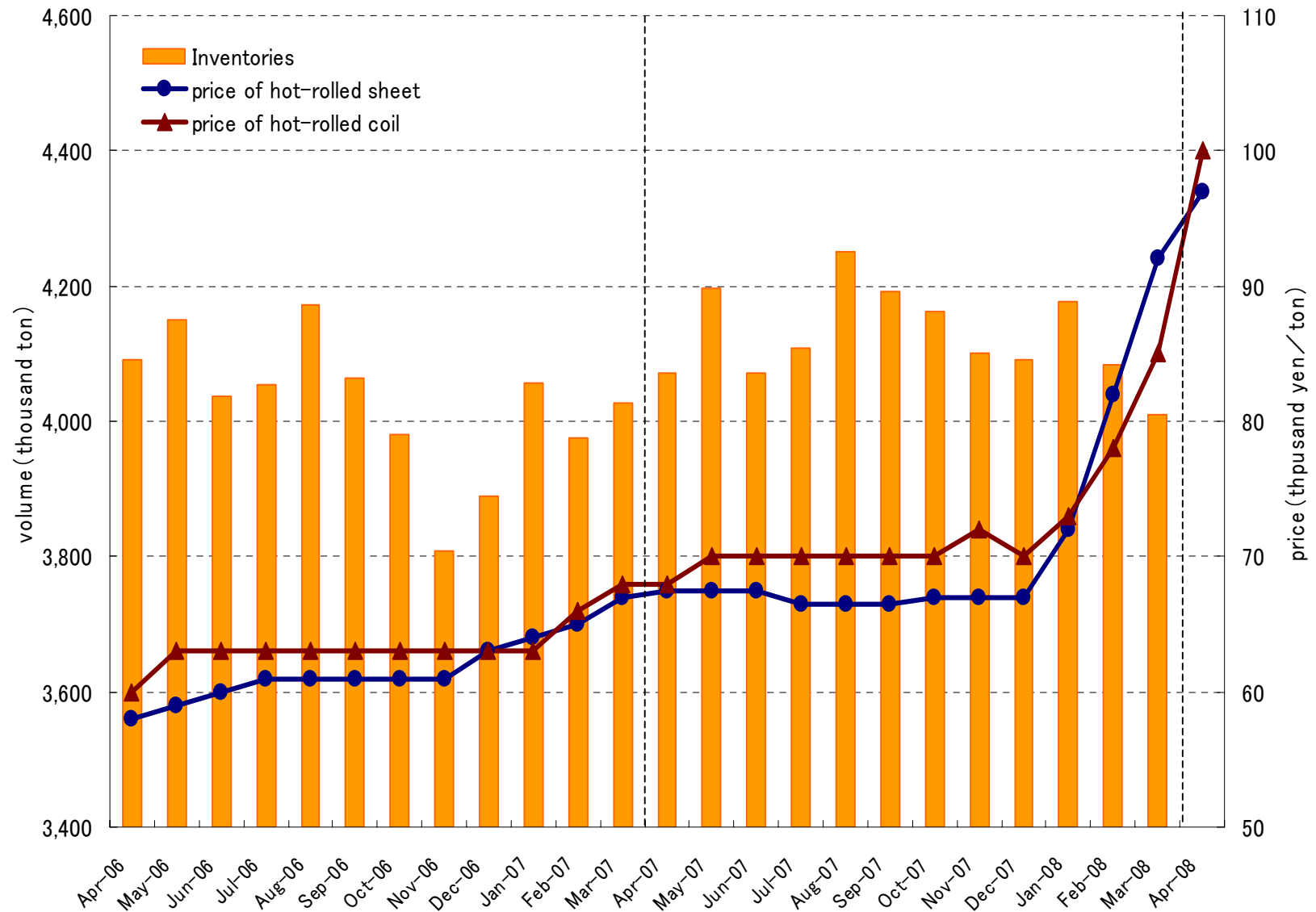
Transition of Iron & Steel Scrap, Iron Ore, Coking Coal Markets



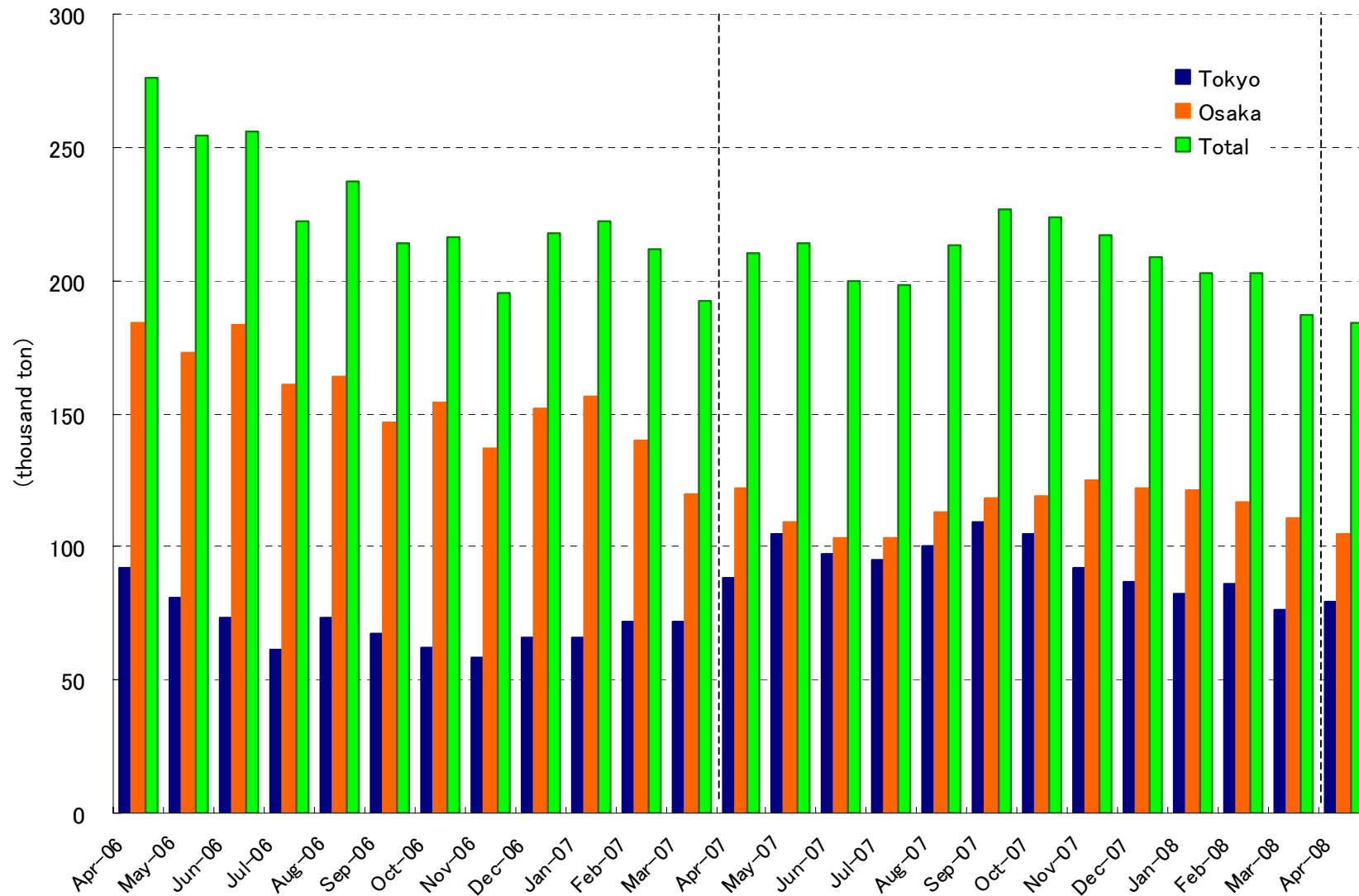
Transition of the H-Beams Markets



Transition of Steel Sheets Markets



Transition of Steel-coils Inventory on the Quay



Study by Hanwa co.,Ltd.

Segment Information (consolidated)



Net sales

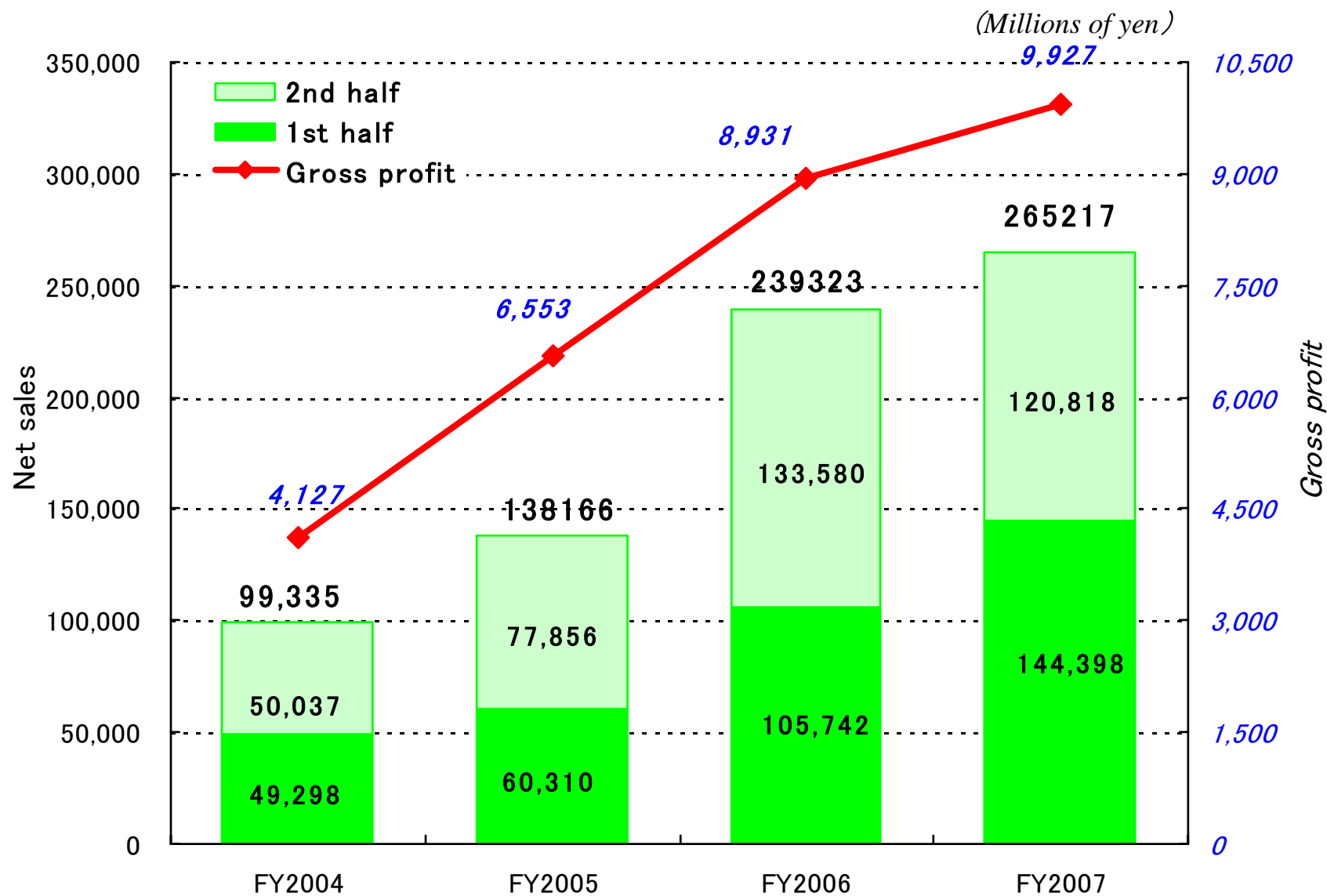
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Operating income

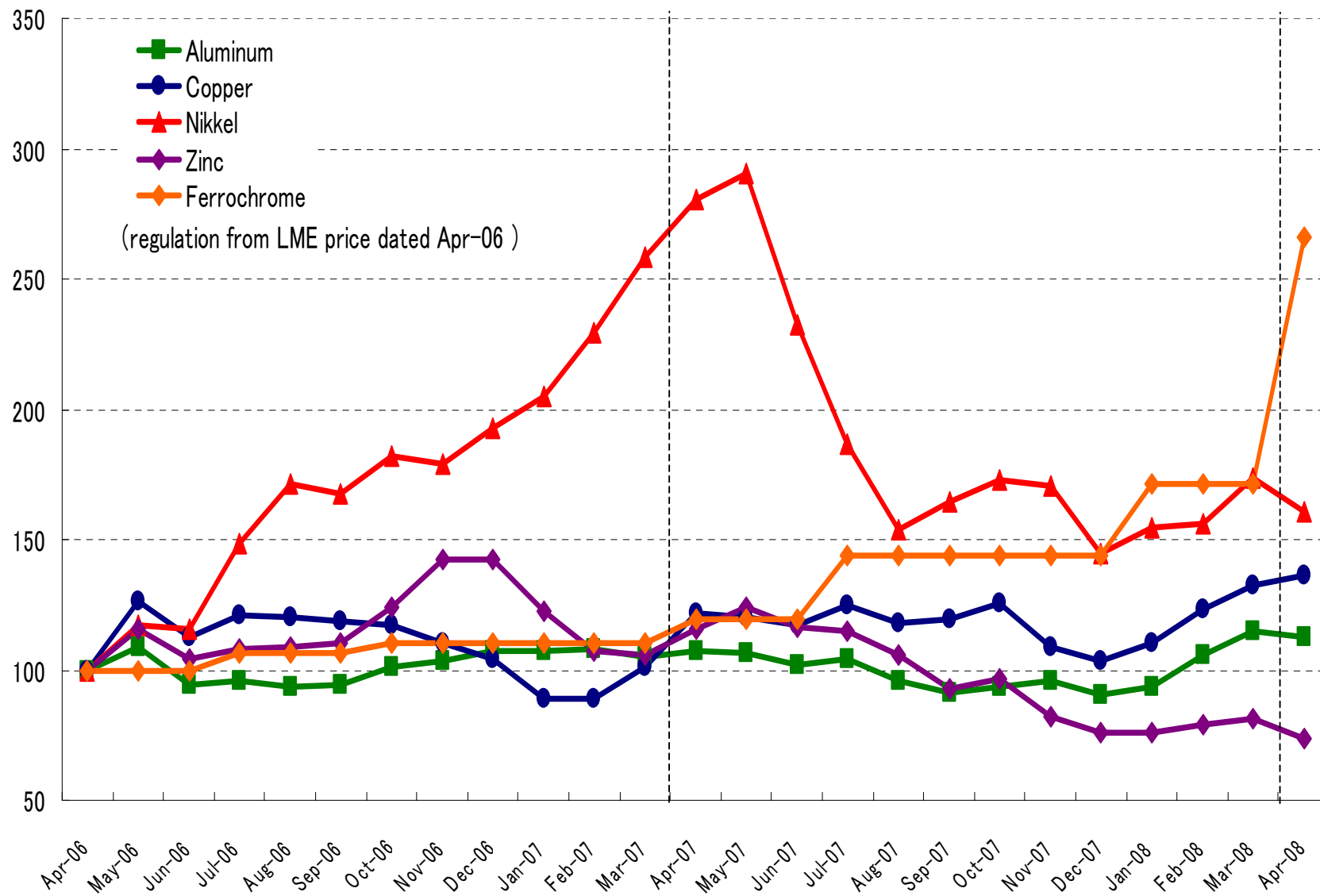
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Sales and Profit by Metals & Alloys, Non-ferrous Metals Segment (unconsolidated)



Transition of Non-ferrous Metals Markets



Segment Information (consolidated)



Net sales

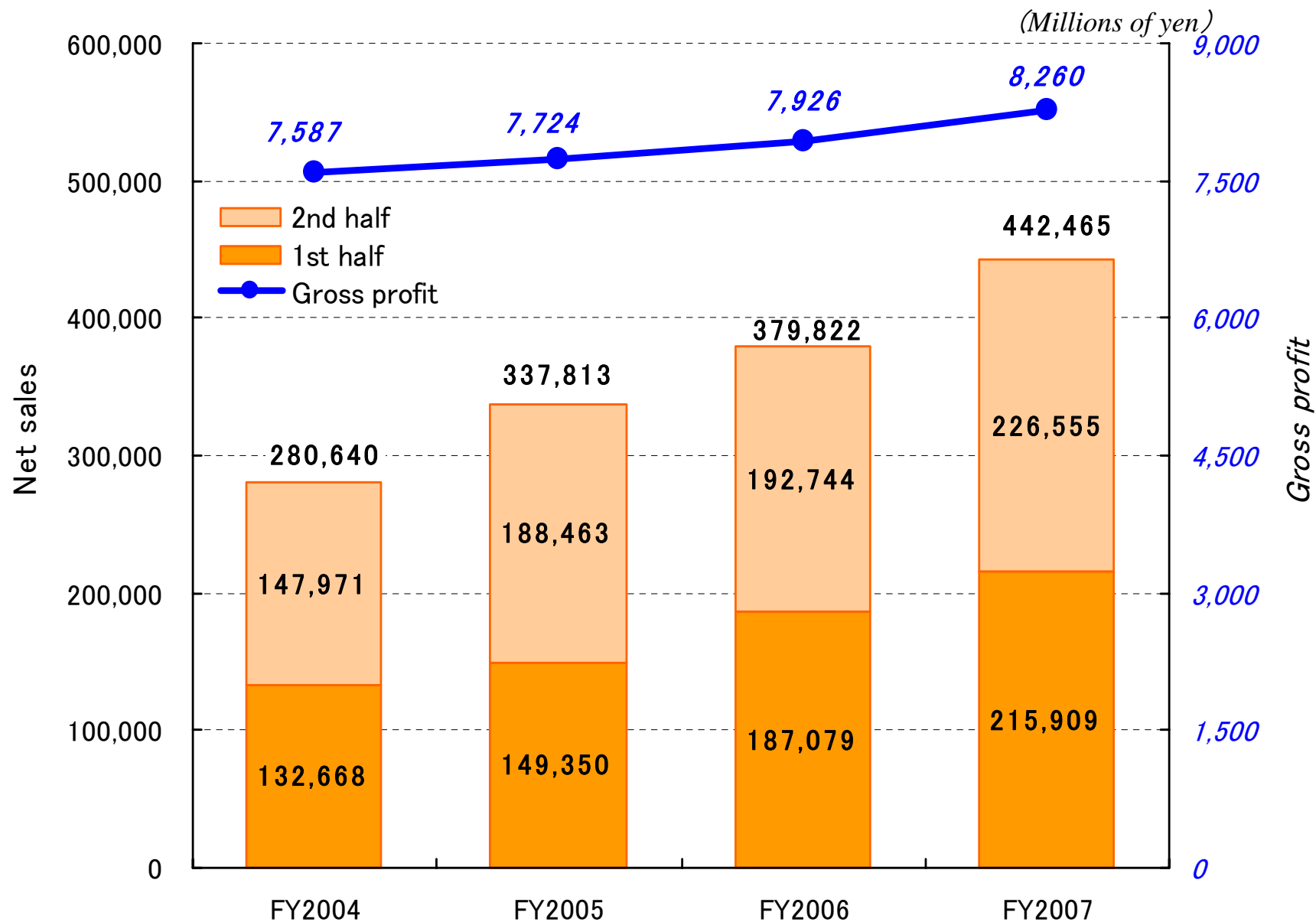
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Operating income

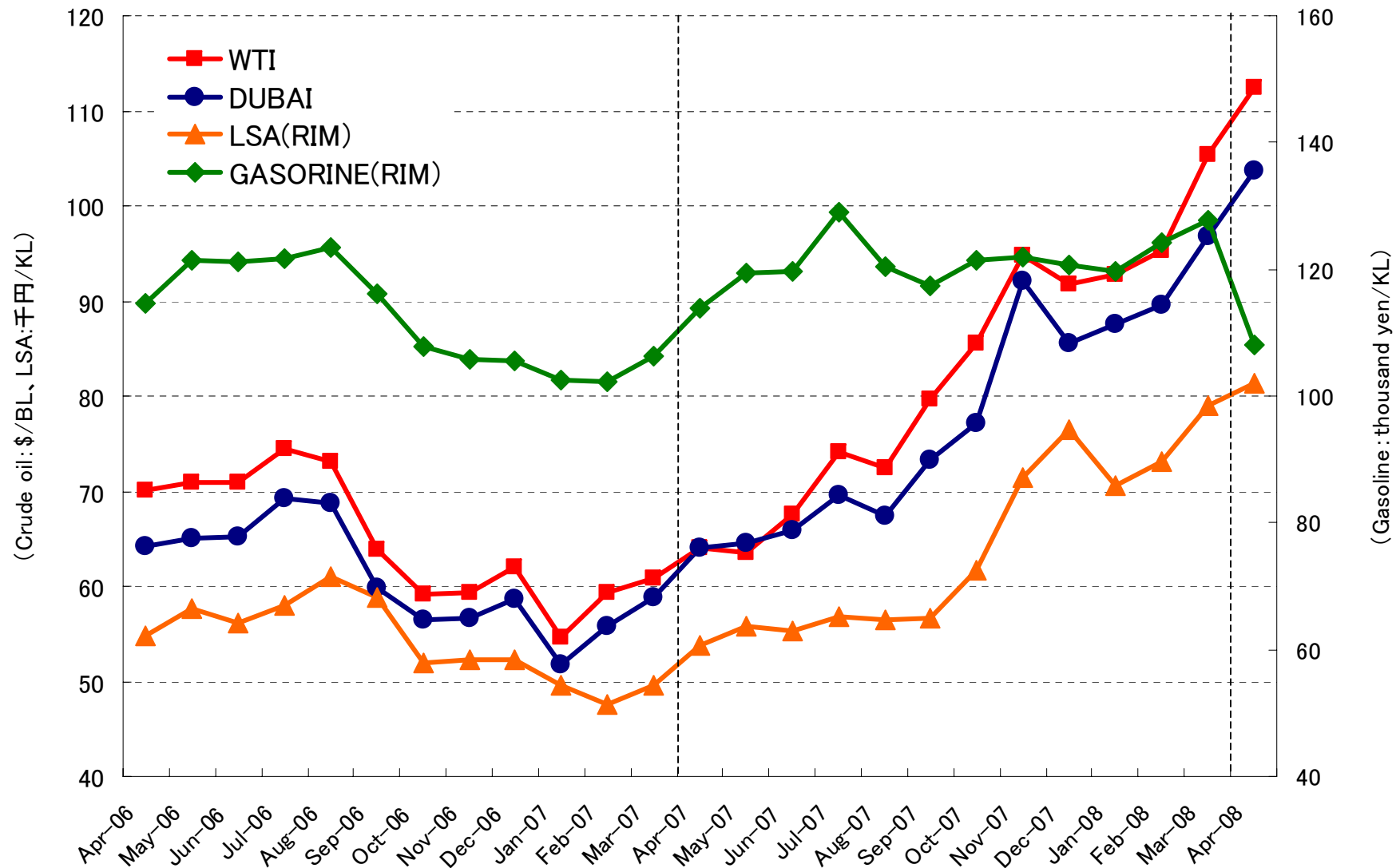
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<i>Consolidated</i>	23,704	20,864	+13.6%

Sales and Profit by Foods, Petroleum & Chemicals, Others Segment (unconsolidated) 



Transition of Crude Oil & Petroleum Products Markets



Comparison of Results and Mid-term Business Plan



<i>consolidated</i>	<i>FY2006</i> <i>(year ended</i> <i>March 31,2007)</i>	<i>FY2007</i> <i>(year ended</i> <i>March 31,2008)</i>	<i>Last year of</i> <i>MTBP (FY2009)</i>	<i>Achievement</i> <i>Rate</i>
<i>Net sales</i> <i>(Billions of yen)</i>	1,320.0	1,507.5	1,600.0	94.2%
<i>Operating income</i> <i>(Billions of yen)</i>	20.8	23.7	25.0	94.8%
<i>Ordinary income</i> <i>(Billions of yen)</i>	19.1	21.2	23.0	92.5%
<i>ROA</i>	2.6%	2.7%	2.4%	—
<i>ROE</i>	12.4%	13.3%	11.0%	—
<i>BPS (yen)</i>	461.21	473.70	600.00	79.0%
<i>Net debt/equity</i> <i>ratio</i>	166.5%	151.7%	150.0%	—

《Steel》

Enhancement of processing functions • • • Enhancement of Leveler line and processing facilities of steel bars in HRC, coil center in Chang-fu and Thailand

Meeting real demand • • • Promoting Niigata office to a branch, Establishing Dammam and New Delhi offices

M&A and alliance for functional enhancement • • • Sogo Tekkin Kogyo, Fabcon-kyusyu

《Metals & alloys》

Diversification of supply sources • • • Increase of the handling from Kazakhstan and India

Development of export market • • • Expanding export of Stainless-steel scrap

《Non-ferrous metals》

Enhancement of overseas development • • • Increase of export of waste aluminum-sash and trade of regulated items by Basel-law

Expansion of related business • • • Mold-surface treatment business at overseas

《Foods》

Enhancement of sales at overseas • • • Increase in sales at Seattle Shrimp & Seafood, Export to Africa

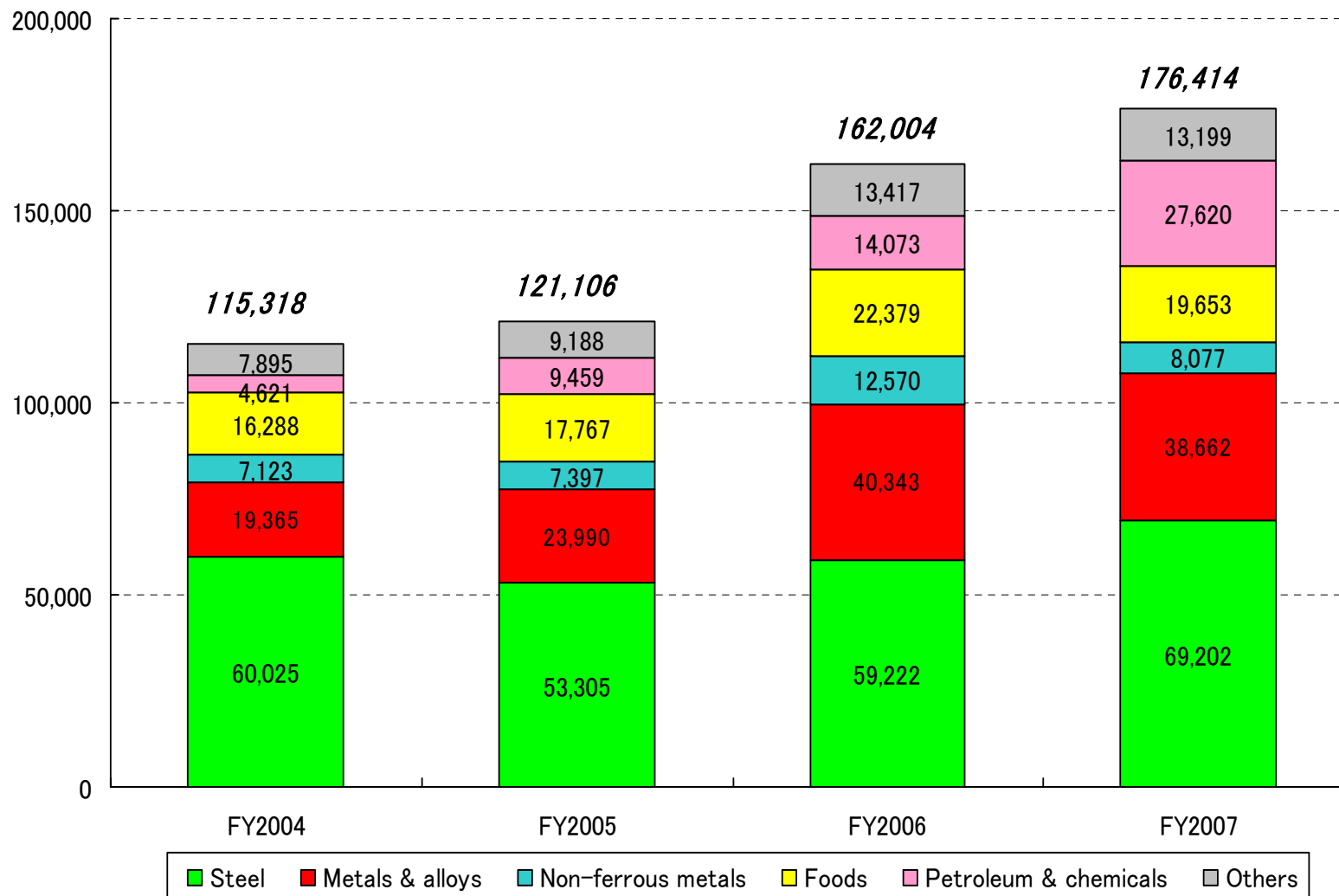
《Petroleum & Chemicals》

Enhancement of overseas development • • • Expanding bunker oil sales overseas, Increase of export of petroleum fraction and bunker C

Utilization of recycled resource • • • Expanding the joint venture of manufacturing recycled pellet

(Millions of yen)

Volume of trade in China (unconsolidated)



Including sales of materials and purchase of products for processing dealings.

Business Forecast FY2008 (year ended March 31, 2009)



consolidated

(Millions of yen)

	<i>Interim</i>	<i>FY2008</i>	<i>FY2007</i>
<i>Net sales</i>	808,000	1,655,000	1,507,509
<i>Operating income</i>	14,500	27,100	23,704
<i>Ordinary income</i>	11,900	22,900	21,267
<i>Net income</i>	7,300	13,900	13,117

unconsolidated

	<i>Interim</i>	<i>FY2008</i>	<i>FY2007</i>
<i>Net sales</i>	793,000	1,627,000	1,472,411
<i>Operating income</i>	13,700	25,500	22,665
<i>Ordinary income</i>	11,600	22,000	20,584
<i>Net income</i>	7,200	13,400	12,620

	<i>Year</i>	<i>Interim</i>	<i>Year-end</i>
<i>Cash dividends (yen)</i>	12.00	6.00	6.00

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.