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Notice Concerning Impairment Losses on Investment Securities

Hanwa Co., Ltd. (“Hanwa”) announces that it needs to recognize impairment losses on certain securities categorized as “other securities” as of December 31, 2008, since their fair market value has declined significantly and is unlikely to recover in the future.

1. Total estimated amount of impairment losses on investment securities as of December 31, 2008

(Millions of yen)

	Consolidated	Non-Consolidated
(A) Total estimated amount of impairment losses on investment securities as of December 31, 2008	9,733	9,733
(B) Net assets as of March 31, 2008 (A/B×100)	100,926 (9.6%)	98,262 (9.9%)
(C) Ordinary income for the year ended March 31, 2008 (A/C×100)	21,267 (45.8%)	20,584 (47.3%)
(D) Net income for the year ended March 31, 2008 (A/D×100)	13,117 (74.2%)	12,620 (77.1%)

(Ref.) 1.Hanwa’s fiscal year ends on March 31.

2.Hanwa has adopted the reversal method for the quarterly closing for the impairment loss on investment securities at the end of the quarterly accounting periods.

2. Future outlook

Hanwa will post an extraordinary loss on the impairment losses on investment securities for the end of the third quarter of the fiscal year ending March 31, 2009.

The forecast of financial results for the year ending March 31, 2009 is currently being examined and will be announced when the outlook becomes clearer.