

Date: December 9, 2009

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**Notice Concerning Transfer of Fixed Assets, Impairment Losses on Long-lived Assets and Amendments to the Forecasts for FY2009**

Hanwa Co., Ltd. (“Hanwa”) announces that the Board of Directors meeting of Hanwa, held on December 9, 2009, resolved to transfer its fixed assets and recognize impairment losses on long-lived assets as follows:

In addition, Hanwa hereby announces the following amendments to the forecasts of financial results for FY2009, previously announced on November 5, 2009, as follows:

**1. Transfer of Fixed Assets**

(1) Reason for the transfer

Hanwa once planned to enforce its distributional and processing functions in the Mid-term business plan , announced on May 16, 2007. Now, in line with aforementioned plan, Hanwa resolved to transfer the following assets, in exchange for purchasing newly land for building another distribution center. This is why Hanwa expects more efficient logistics and increased storage and processing capacity. In addition, the new distribution center will be planned to open after two years.

(2) Details of the assets to be transferred

(Millions of yen)

Details and location of the assets	Transfer value	Book value	Current status
1-2-90 Nanko-Naka, Suminoe-ku, Osaka Land : 58,475.00m <sup>2</sup> Building : 37,993.79m <sup>2</sup>	3,537	4,442	Distribution center

After the transfer, Hanwa will rent these assets for using as the distribution center for about two years.

(3) Overview of recipients of transfer

The recipient will not be disclosed in accordance with its intention. There is no capital, personal, or transaction relationship between the recipient and Hanwa.

(4) Scheduled date of the transfer

December 9, 2009	Resolution at the Board of Directors meeting
December 10, 2009	Conclusion of the transfer agreement (provisional)
March 31, 2010	Transfer of the assets (provisional)

(5) Forecasts

When the assets are transferred, the loss will be generated. Therefore, in the third quarter of FY2009, Hanwa plans to recognize impairment losses (905 million yen) as extraordinary losses from revaluation by recoverable value based the transfer value.

By the transfer of fixed assets, income taxes are expected to be 9,929 million yen lower than predicted since impairment losses and other losses which posted in previous years are included in deductible expenses.

(Reference) Outline of the land for building a new distribution center

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|------------------------------------|--|---|
| (1) Outline of assets              | Land : 92,356.70m <sup>2</sup>                                     |   |
| (2) Location                       | 1-65, 73,123,139,140 Chikkoyawata-cho, Sakai-ku, Sakai City, Osaka |   |
| (3) Seller                         | Nippon Steel Corporation   |   |
| (4) Scheduled date of the purchase |  |   |
|                                    | December 9, 2009   | Resolution at the Board of Directors meeting          |
|                                    | December 16, 2009  | Conclusion of the acquisition agreement (provisional) |
|                                    | March 29, 2010   | Acquisition of the assets (provisional)               |

## 2. Impairment Losses on Long-lived Assets

Pursuant to “Accounting Standards for Impairment of Fixed Assets”, Hanwa recognizes impairment losses on long-lived assets as of December 31, 2009 (2,124 million yen) posted as extraordinary losses.

The losses resulted from impairment of value of the company-owned land for rent in Osaka.

## 3. Amendments to the Forecasts for FY2009

(1) Amendments to the forecasts of consolidated financial results for FY2009 (April 1, 2009 through March 31, 2010).  
(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecasts (A)	1,106,000	14,800	12,000	7,200	34.40
New forecasts (B)	1,106,000	14,800	12,000	14,100	67.37
Amount changed (B - A)	—	—	—	6,900	
% of change	—	—	—	95.8	
(Reference) Actual results for FY2008	1,539,281	17,451	15,007	5,997	28.47

(2) Reasons for the Amendments

Net income is amended due to extraordinary losses from losses on transfer of fixed assets and impairment losses on long-lived assets, and reduction of income taxes by transfer of fixed assets.

The above forecasts reflect assumptions and prospects based on the information currently available. They are subject to a number of risks and uncertainties that could cause actual results to differ materially from this information.

Regarding the year-end dividend, Hanwa plans to pay cash dividend of 6 yen per share, as previously announced on November 5, 2009.

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