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Notice of New Medium-term Business Plan
(From April 2010 to March 2013)

Hanwa Co., Ltd. ("Hanwa") announces that it formulates the Medium-term Business Plan (From April 2010 to March 2013) , as follows:

1. Medium-term Business Plan Objective

Adapt to rapid changes in the operating environment and build a highly original and powerful base of operations and profit structure.

Target opportunities in both Japan, where growth prospects are limited, and in overseas markets that are expected to continue expanding. Establish a solid base of operations that can achieve Hanwa's mission of quickly meeting the demands of users. At the same time, assemble a reliable profit structure by aggressively pursuing new business opportunities.

2. Central Themes of the Medium-term Business Plan and Key Initiatives

Central themes

- 1) Become even more competitive in Japan
Japan is the primary source of earnings for Hanwa. Even as Japan's markets shrink, we aim to increase sales in sectors with unmet demand and increase initiatives to precisely meet the needs of customers. We are determined to become even more competitive by taking these actions.
- 2) Expand operations involving the environment and recycling
Hanwa is helping to deal with many global environmental issues, ranging from climate change to the world's burgeoning demand for natural resources. These issues are expected to create many new and growing markets. We are meeting emerging demand in the fields of new energy sources and recycling. We are also growing by supplying the materials needed to build infrastructures in these and other fields.
- 3) Continue to grow outside Japan
China and the ASEAN region are the core markets for Hanwa outside Japan. We will upgrade our ability to conduct extensive sales activities in this area. Another goal is identifying opportunities in emerging countries by understanding market trends and establishing procurement and sales channels in these countries to keep pace with rising demand.

Key Initiatives

- 1) Reinforce and differentiate capabilities
Hanwa wants to enhance its value to customers as a distributor of goods. To accomplish this, we will refine capabilities that allow us to provide customers with greater convenience and functions that only Hanwa can offer.
- 2) Enhance capabilities to do business on a global scale
Hanwa must respond to the rapid globalization in the activities of customers. This requires establishing and upgrading our business infrastructure with measures that include adding business sites, increasing our overseas workforce, and creating a speedy and flexible framework for operations.
- 3) Adopt the perspective of users and target directly end users
We will always use the perspective of users to identify and meet their most exacting and advanced requirements. By taking this stance, we will aggressively seek solutions to the problems of end users, who represent the final stage of demand.
- 4) Effectively utilize a diverse range of human resources
Hanwa will create a workforce made up of people with the flexibility to serve a broad spectrum of customer needs. We will conduct recruiting and training programs and give employees assignments with the goal of enabling our organization to benefit from the capabilities of many types of individuals.

3. Strategies for growth

- 1) Strengthen capabilities in our core business as a trading company with strong ties to end users
We will adopt the perspective of users to upgrade and differentiate the capabilities that we can offer, in order to reinforce and enhance existing activities while growing through horizontal expansion.
- 2) Grow rapidly in overseas markets by enlarging the business network and workforce
To benefit from projected growth in demand in markets outside Japan, Hanwa plans to add business and processing sites while significantly increasing its overseas workforce. We will use this infrastructure to enter new markets by executing strategies that match the characteristics of each region.
- 3) Reinforce and expand the scope of recycling operations
Expand recycling operations to provide a comprehensive line of services in line with the global trend in recycling to handle many types of materials. Use these capabilities to build a stronger base of operations and grow faster worldwide.
- 4) Increase business activities involving the environment and energy
Environmentally responsible businesses are expected to grow considerably in the coming years. The outlook for growth is also good in the energy infrastructure field in Japan and overseas. Hanwa is committed to growing in all these fields in order to play a part in protecting the environment.
- 5) Make business investments and build partnerships aggressively
To achieve sustained long-term growth, Hanwa will further enhance its capabilities and adopt a growth-oriented stance in business operations. We will place particular emphasis on business investments and forging solid relationships with business partners.
- 6) Establish a team of professionals with outstanding skills
To achieve the goals of growth strategies, Hanwa will train and enlarge the team of professionals that will execute these strategies. We will concentrate on creating a more powerful workforce that can allow the Hanwa Group to consistently increase its value.

4. The structure to execute business strategies

- 1) Upgrade corporate governance
Continue to take the actions needed to upgrade corporate governance in order to fulfill obligations to shareholders, customers, employees and all other stakeholders.
- 2) Maintain and enhance risk management capabilities
Reinforce flexibility and resilience regarding risk in advance by anticipating the types of risks that will emerge along with future business activities and shifts in market conditions.
- 3) Create an organization to execute the medium-term business plan
Hanwa has established the following organization to oversee the strategic initiatives needed to achieve the medium-term business plan's goals. The organization will execute and check the plan and provide senior management with progress reports and advice concerning ongoing initiatives.



5. A commitment to sustainable growth in corporate value

Hanwa is taking measures to create a more powerful corporate framework in order to vigorously execute the business strategies of the medium-term business plan. There are two goals: increasing the comprehensive value of the Hanwa Group and achieving sustained growth. In addition, we will use these goals to support more progress in customer satisfaction and corporate social responsibility.

Policy for distributing earnings to shareholders

- Policy for dividends
Our fundamental policy is to pay a dividend every year while increasing and effectively utilizing retained earnings to increase shareholder value and corporate value.
- Policy for repurchasing stock
We have a flexible stance regarding the repurchase of stock. We will use repurchases to return earnings to shareholders while taking into account stock market movements, our funding requirements, results of operations and all other pertinent factors.

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