

Financial Results for the Third Quarter ended December 31, 2010

(Consolidated financial results have been prepared in accordance with accounting principles generally accepted in Japan)

February 9, 2011

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1. Consolidated financial results for the third quarter ended December 31, 2010

(Rounded down to millions of yen)

(1) Consolidated operating results

(% of change from the same period of previous year)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
For the third quarter ended December 31, 2010	1,012,477	22.6	9,213	12.4	9,941	52.7	5,392	(49.6)
ended December 31, 2009	825,946	(35.1)	8,194	(63.1)	6,510	(71.5)	10,707	160.1

	Net income per share	Net income per share(diluted)
	(yen)	(yen)
For the third quarter ended December 31, 2010	26.01	—
ended December 31, 2009	51.16	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
December 31, 2010	527,347	106,706	20.1	511.48
March 31, 2010	443,444	106,855	24.0	512.16

Note: Shareholders' equity As of December 31, 2010 106,019 million yen
 As of March 31, 2010 106,168 million yen

2. Cash dividends

(effective date)	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	(yen)	(yen)	(yen)	(yen)	(yen)
Year ended March 31, 2010	—	6.00	—	6.00	12.00
Year ending March 31, 2011 (estimated)	—	6.00	—	6.00	12.00

3. Forecast of consolidated financial results for fiscal year ending March 31, 2011

(% of change from previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(yen)
Annual	1,333,000	19.4	13,000	13.8	12,000	27.5	6,800	(41.3)	32.80

* 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.

Financial Results for the Third Quarter ended December 31, 2010

《Consolidated Balance Sheets》

(Rounded down to millions of yen)

	<i>Millions of yen</i>		
	March 31, 2010	December 31, 2010	Increase(Decrease)
Assets			
Current assets;			
Cash and deposits	24,669	23,692	(977)
Trade notes and accounts receivable	214,416	276,218	61,802
Inventories	72,352	91,496	19,144
Others	22,620	30,870	8,250
Allowance for doubtful receivables	(892)	(1,146)	(254)
Total current assets	333,166	421,131	87,965
Fixed assets;			
Property and equipment;			
Land	28,293	29,252	959
Others	18,005	17,193	(812)
Total property and equipment	46,299	46,445	146
Intangible assets	753	646	(107)
Investments and other assets;			
Investment securities	40,401	38,433	(1,968)
Others	25,798	23,255	(2,543)
Allowance for doubtful receivables	(2,974)	(2,565)	409
Total investments and other assets	63,225	59,123	(4,102)
Total fixed assets	110,278	106,215	(4,063)
Total assets	443,444	527,347	83,903
Liabilities;			
Current liabilities;			
Trade notes and accounts payable	134,800	172,276	37,476
Short-term loans payable	49,725	70,572	20,847
Commercial paper	1,000	15,000	14,000
Current portion of bonds payable	10,000	460	(9,540)
Income taxes payable	233	512	279
Accrued bonuses	1,855	982	(873)
Others	17,475	21,129	3,654
Total current liabilities	215,089	280,933	65,844
Long-term liabilities;			
Bonds payable	—	10,000	10,000
Long-term loans payable	114,355	121,641	7,286
Employees' retirement benefits	18	119	101
Directors' retirement benefits	—	41	41
Others	7,125	7,904	779
Total long-term liabilities	121,499	139,707	18,208
Total liabilities	336,589	420,640	84,051
Net assets;			
Shareholders' equity;			
Common stock	45,651	45,651	—
Capital surplus	4	4	—
Retained earnings	64,301	67,206	2,905
Treasury stock	(1,415)	(1,420)	(5)
Total shareholders' equity	108,542	111,442	2,900
Valuation and translation adjustments;			
Net unrealized holding gains on securities	889	(2,372)	(3,261)
Deferred hedge profit and loss	(771)	(120)	651
Land revaluation difference	(183)	(183)	—
Foreign currency translation adjustments	(2,308)	(2,747)	(439)
Total valuation and translation adjustments	(2,373)	(5,423)	(3,050)
Minority interests	686	687	1
Total net assets	106,855	106,706	(149)
Total liabilities and net assets	443,444	527,347	83,903

Financial Results for the Third Quarter ended December 31, 2010

《Consolidated Statements of Income》

(Rounded down to millions of yen)

	<i>Millions of yen</i>		
	Third quarter ended December 31, 2009	Third quarter ended December 31, 2010	Increase(Decrease)
Net sales	825,946	1,012,477	186,531
Cost of sales	795,987	981,022	185,035
Gross profit	29,959	31,454	1,495
Selling, general and administrative expenses	21,764	22,241	477
Operating income	8,194	9,213	1,019
Non-operating income;			
Interest income	390	502	112
Dividend income	442	327	(115)
Foreign exchange gain	1,077	1,878	801
Others	434	1,256	822
Total non-operating income	2,344	3,964	1,620
Non-operating expenses;			
Interest expenses	2,493	2,089	(404)
Others	1,536	1,146	(390)
Total non-operating expenses	4,029	3,236	(793)
Ordinary income	6,510	9,941	3,431
Extraordinary loss;			
Loss on impairment of long-lived assets	3,055	429	(2,626)
Loss on devaluation of investments securities	—	337	337
Total extraordinary loss	3,055	767	(2,288)
Income before income taxes and minority interest	3,454	9,174	5,720
Income taxes	△ 7,211	3,724	10,935
Income before minority interest	—	5,449	—
Minority interest in net income	△ 42	56	98
Net income	10,707	5,392	(5,315)

Financial Results for the Third Quarter ended December 31, 2010

《Consolidated Statements of Cash Flows》

(Rounded down to millions of yen)

	<i>Millions of yen</i>		
	Third quarter ended December 31, 2009	Third quarter ended December 31, 2010	Increase (Decrease)
Cash flows from operating activities:			
Income before income taxes	3,454	9,174	5,720
Depreciation and amortization	1,881	1,991	110
Loss on impairment of long-lived assets	3,055	429	(2,626)
Increase(decrease) in allowance for doubtful receivables	349	(170)	(519)
Interest and dividend income	(832)	(829)	3
Interest expense	2,493	2,089	(404)
Loss on devaluation of investments securities	—	337	337
(Increase)decrease in trade receivables	8,708	(57,470)	(66,178)
(Increase)decrease in inventories	25,537	(18,933)	(44,470)
Increase(decrease) in trade notes and accounts payable	2,921	34,844	31,923
Other, net	(2,417)	(1,678)	739
Sub total	45,151	(30,215)	(75,366)
Interest and dividends received	789	792	3
Interest paid	(2,395)	(1,952)	443
Income taxes paid	(1,696)	2,008	3,704
Net cash provided by (used in) operating activities	41,849	(29,366)	(71,215)
Cash flows from investing activities:			
Payment for time deposits	(292)	(251)	41
Proceeds from refund of time deposits	292	277	(15)
Payment for purchase of property and equipment	(2,498)	(1,885)	613
Proceeds from sale of property and equipment	54	25	(29)
Payment for purchase of investment securities	(6,121)	(3,030)	3,091
Proceeds from sale and redemption of investment securities	186	145	(41)
Net increase(decrease) from purchase of consolidated subsidiaries	—	1,283	1,283
(Increase)decrease in short – term loans receivable, net	(1,062)	(1,024)	38
Increase in long – term loans receivable	(9)	—	9
Collection of long-term loans receivable	50	81	31
Other, net	(521)	(1,170)	(649)
Net cash used in investing activities	(9,922)	(5,547)	4,375
Cash flows from financing activities:			
Increase(decrease) in short-term loans, net	(33,093)	41,749	74,842
Increase(decrease) in commercial paper, net	1,000	14,000	13,000
Proceeds from long-term debt	573	6,120	5,547
Repayments of long-term debt	(6,200)	(24,288)	(18,088)
Proceeds from issuance of bonds	—	9,954	9,954
Redemption of issuance of bonds	—	(10,000)	(10,000)
Payment for cash dividends	(2,493)	(2,476)	17
Cash dividends paid to minority interest in consolidated subsidiaries	(4)	(4)	—
Other, net	(749)	(175)	574
Net cash provided by (used in) financing activities	(40,967)	34,879	75,846
Effect of exchange rate changes on cash and cash equivalents	(284)	(902)	(618)
Net increase(decrease) in cash and cash equivalents	(9,325)	(937)	8,388
Cash and cash equivalents at beginning of year	35,046	24,514	(10,532)
Cash and cash equivalents from newly consolidated subsidiaries	142	—	(142)
Cash and cash equivalents at end of period	25,864	23,577	(2,287)

Financial Results for the Third Quarter ended December 31, 2010

《Segment information》

Business segment information

The Companies' operations are classified into five business segments as follows:

Steel: Steel bars and shapes, steel plates and sheets, special steels, wire products, steel pipes, and steelmaking raw materials

Metals and alloys: Nickel, chromium, stainless scrap and solar cell-related materials and products

Non-ferrous metals: Copper, aluminium, lead, zinc, tin, antimony and other metals

Foods: Frozen seafoods and meat products

Petroleum and chemicals : Petroleum products, chemical products, and cement

Segment information by business category for the third quarter ended December 31, 2009 and 2010, is as follows:
(Rounded down to millions of yen)

Third quarter ended December 31, 2009

Millions of yen

	Steel	Metals & alloys	Non-ferrous metals	Foods	Petroleum & chemicals	Other business	Total	Corporate	Consolidated
Net sales									
Customers	456,789	63,296	35,606	56,623	181,142	32,489	825,946	—	825,946
Inter-segment	—	—	—	—	—	—	—	(—)	—
Total	456,789	63,296	35,606	56,623	181,142	32,489	825,946	—	825,946
Operating income(loss)	6,878	1,668	309	1,236	1,100	1,250	12,444	(4,249)	8,194

Third quarter ended December 31, 2010

Millions of yen

	Reportable segment						Other	Total	Adjustment	Consolidated
	Steel	Metals & alloys	Non-ferrous metals	Foods	Petroleum & chemicals	Sub-total				
Net sales										
Customers	494,856	89,358	42,185	63,517	252,232	942,150	70,326	1,012,477	—	1,012,477
Inter-segment	14,398	1,658	1,067	432	405	17,963	23,080	41,043	(41,043)	—
Total	509,255	91,017	43,253	63,949	252,638	960,114	93,406	1,053,520	(41,043)	1,012,477
Segment income(loss)	6,536	2,264	313	1,618	1,164	11,897	672	12,569	(2,628)	9,941

* From the FY2010, the Group applied the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No.17, March 27, 2009) . Thus segment information in FY2009 and FY2010 was not connected.