

Financial Results for the Third Quarter ended December 31, 2012

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

February 12, 2013

Company name: **HANWA Co.,Ltd.**

Listed stock exchange: Tokyo, Osaka

Stock exchange code: 8078

(URL <http://www.hanwa.co.jp>)

Representative: Hironari Furukawa President

Enquiries: Atsuhiko Moriguchi Director, Managing Executive Officer

TEL 81 - 3 - 3544 - 2197

The date of issue of audited financial statements: February 14, 2013 The date of payout of dividend: —

(Rounded down to millions of yen)

1. Consolidated financial results for the third quarter ended December 31, 2012

(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, 2012	1,115,413	(4.9)	8,316	(34.2)	5,922	(49.0)	3,309	32.8
ended December 31, 2011	1,172,635	15.8	12,634	37.1	11,608	16.8	2,491	(53.8)

Note: Comprehensive income For the third quarter ended December 31, 2012 1,958 million yen (46.5) %
For the third quarter ended December 31, 2011 3,663 million yen 56.0 %

	Net income per share	Net income per share(diluted)
	(yen)	(yen)
For the third quarter ended December 31, 2012	15.97	—
ended December 31, 2011	12.02	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
December 31, 2012	553,111	116,039	20.6	548.91
March 31, 2012	582,404	115,956	19.5	548.22

Note: Shareholders' equity As of December 31, 2012 113,770 million yen
As of March 31, 2012 113,629 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, 2012	—	6.00	—	6.00	12.00
Year ending March 31, 2013 (estimated)	—	4.00	—	6.00	10.00

3. Forecast of consolidated financial results for fiscal year ending March 31, 2013

(% 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	1,486,000	(5.0)	12,300	(17.9)	10,600	(19.2)	6,000	29.5	28.95

* 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, 2012

《Consolidated Balance Sheets》

(Rounded down to millions of yen)

	<i>Millions of yen</i>		
	March 31, 2012	December 31, 2012	Increase(Decrease)
Assets			
Current assets;			
Cash and deposits	23,548	23,126	(422)
Trade notes and accounts receivable	301,035	295,438	(5,597)
Inventories	110,908	90,787	(20,121)
Others	33,423	29,584	(3,839)
Allowance for doubtful receivables	(934)	(864)	70
Total current assets	467,982	438,072	(29,910)
Fixed assets;			
Property and equipment;			
Land	30,483	30,493	10
Others	25,903	25,293	(610)
Total property and equipment	56,387	55,786	(601)
Intangible assets	629	619	(10)
Investments and other assets;			
Investment securities	36,765	36,626	(139)
Others	22,987	24,802	1,815
Allowance for doubtful receivables	(2,347)	(2,795)	(448)
Total investments and other assets	57,405	58,633	1,228
Total fixed assets	114,422	115,039	617
Total assets	582,404	553,111	(29,293)
Liabilities;			
Current liabilities;			
Trade notes and accounts payable	186,810	167,747	(19,063)
Short-term loans payable	90,412	104,294	13,882
Commercial paper	15,000	7,000	(8,000)
Current portion of bonds payable	35	10,000	9,965
Income taxes payable	1,666	338	(1,328)
Accrued bonuses	1,916	1,021	(895)
Others	23,896	29,810	5,914
Total current liabilities	319,735	320,211	476
Long-term liabilities;			
Bonds payable	20,050	20,050	—
Long-term loans payable	116,738	87,565	(29,173)
Employees' retirement benefits	191	209	18
Others	9,732	9,034	(698)
Total long-term liabilities	146,712	116,859	(29,853)
Total liabilities	466,448	437,071	(29,377)
Net assets;			
Shareholders' equity;			
Common stock	45,651	45,651	—
Capital surplus	4	4	—
Retained earnings	69,978	71,455	1,477
Treasury stock	(1,425)	(1,425)	—
Total shareholders' equity	114,209	115,685	1,476
Accumulated other comprehensive income			
Net unrealized holding gains on securities	2,084	890	(1,194)
Deferred hedge profit and loss	353	59	(294)
Land revaluation difference	149	149	—
Foreign currency translation adjustments	(3,168)	(3,014)	154
Total accumulated other comprehensive income	(580)	(1,914)	(1,334)
Minority interests	2,326	2,269	(57)
Total net assets	115,956	116,039	83
Total liabilities and net assets	582,404	553,111	(29,293)

Financial Results for the Third Quarter ended December 31, 2012

《Consolidated Statements of Income and Comprehensive Income》

(Rounded down to millions of yen)

	<i>Millions of yen</i>		
	Third quarter ended December 31, 2011	Third quarter ended December 31, 2012	Increase(Decrease)
Net sales	1,172,635	1,115,413	(57,222)
Cost of sales	1,136,675	1,083,199	(53,476)
Gross profit	35,960	32,213	(3,747)
Selling, general and administrative expenses	23,325	23,896	571
Operating income	12,634	8,316	(4,318)
Other income;			
Interest income	588	599	11
Dividend income	383	368	(15)
Foreign exchange gain	1,002	—	(1,002)
Others	659	566	(93)
Total other income	2,634	1,533	(1,101)
Other expenses;			
Interest expenses	2,230	2,188	(42)
Foreign exchange loss	—	506	506
Others	1,429	1,233	(196)
Total other expenses	3,659	3,928	269
Ordinary income	11,608	5,922	(5,686)
Extraordinary loss;			
Loss on impairment of long-lived assets	—	255	255
Loss on sale of investments securities	1,071	—	(1,071)
Loss on devaluation of investments securities	6,287	729	(5,558)
Loss on disposal of property and equipment	—	255	255
Total extraordinary loss	7,359	1,240	(6,119)
Income before income taxes and minority interest	4,249	4,682	433
Income taxes	1,655	1,389	(266)
Income before minority interest	2,594	3,292	698
Minority interest in net income	103	(16)	(119)
Net income	2,491	3,309	818
Minority interest in net income	103	(16)	(119)
Income before minority interest	2,594	3,292	698
Other Comprehensive Income			
Net unrealized holding gains on securities	1,142	(1,194)	(2,336)
Deferred hedge profit and loss	80	(293)	(373)
Land revaluation difference	333	—	(333)
Foreign currency translation adjustments	(487)	153	640
Total other comprehensive Income	1,068	(1,334)	(2,402)
Comprehensive Income	3,663	1,958	(1,705)
Comprehensive income attributable to			
Comprehensive income attributable to owners of the parent	3,578	1,974	(1,604)
Comprehensive income attributable to minority interests	84	(16)	(100)

Financial Results for the Third Quarter ended December 31, 2012

《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, 2011 and 2012, is as follows:

(Rounded down to millions of yen)

Third quarter ended December 31, 2011

Millions of yen

	Reportable segment						Other	Total	Adjustment	Consolidated
	Steel	Metals & alloys	Non-ferrous metals	Foods	Petroleum & chemicals	Sub-total				
Net sales										
Customers	547,273	95,672	45,546	71,686	328,854	1,089,033	83,602	1,172,635	—	1,172,635
Inter-segment	12,907	1,710	1,342	537	595	17,093	27,889	44,982	(44,982)	—
Total	560,180	97,382	46,889	72,224	329,450	1,106,126	111,491	1,217,618	(44,982)	1,172,635
Segment income(loss)	6,499	1,582	996	1,408	2,019	12,506	1,629	14,136	(2,527)	11,608

Third quarter ended December 31, 2012

Millions of yen

	Reportable segment						Other	Total	Adjustment	Consolidated
	Steel	Metals & alloys	Non-ferrous metals	Foods	Petroleum & chemicals	Sub-total				
Net sales										
Customers	516,418	69,887	51,024	68,435	315,950	1,021,716	93,696	1,115,413	—	1,115,413
Inter-segment	13,166	1,834	1,354	591	4,514	21,461	31,421	52,883	(52,883)	—
Total	529,584	71,721	52,379	69,027	320,465	1,043,178	125,118	1,168,296	(52,883)	1,115,413
Segment income(loss)	6,544	247	(146)	536	1,185	8,366	971	9,338	(3,416)	5,922