

Financial Results for the First Quarter ended June 30, 2013

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

August 7, 2013

Company name: **HANWA Co., Ltd.** Listed stock exchange: Tokyo
 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

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1. Consolidated financial results for the first quarter ended June 30, 2013

(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 first quarter ended June 30, 2013	384,486	3.0	3,705	16.3	3,541	22.5	2,019	-
ended June 30, 2012	373,322	(2.7)	3,185	(30.9)	2,891	(35.8)	(135)	-

Note: Comprehensive income For the first quarter ended June 30, 2013 4,400 million yen - %
 For the first quarter ended June 30, 2012 (221) million yen - %

	Net income per share	Net income per share(diluted)
	(yen)	(yen)
For the first quarter ended June 30, 2013	9.75	-
ended June 30, 2012	(0.65)	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
June 30, 2013	571,384	121,939	20.9	576.40
March 31, 2013	552,908	120,674	21.4	570.50

Note: Shareholders' equity As of June 30, 2013 119,449 million yen
 As of March 31, 2013 118,232 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, 2013	-	4.00	-	8.00	12.00
Year ending March 31, 2014 (estimated)	-	6.00	-	6.00	12.00

3. Forecast of consolidated financial results for fiscal year ending March 31, 2014

(% 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	1,600,000	5.9	14,700	17.7	12,500	40.9	7,500	58.9	36.19

* 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 First Quarter ended June 30, 2013

《Consolidated Balance Sheets》

(Rounded down to millions of yen)

	<i>Millions of yen</i>		
	March 31, 2013	June 30, 2013	Increase(Decrease)
Assets			
Current assets;			
Cash and deposits	23,285	28,218	4,933
Trade notes and accounts receivable	293,752	298,340	4,588
Inventories	96,609	100,325	3,716
Others	22,505	24,607	2,102
Allowance for doubtful receivables	(852)	(866)	(14)
Total current assets	435,301	450,625	15,324
Fixed assets;			
Property and equipment;			
Land	29,582	30,241	659
Others	25,485	28,740	3,255
Total property and equipment	55,067	58,981	3,914
Intangible assets	736	1,356	620
Investments and other assets;			
Investment securities	39,317	39,615	298
Others	25,565	24,246	(1,319)
Allowance for doubtful receivables	(3,080)	(3,440)	(360)
Total investments and other assets	61,802	60,420	(1,382)
Total fixed assets	117,607	120,759	3,152
Total assets	552,908	571,384	18,476
Liabilities;			
Current liabilities;			
Trade notes and accounts payable	164,301	165,951	1,650
Short-term loans payable	113,500	116,914	3,414
Commercial paper	11,000	11,000	—
Current portion of bonds payable	10,050	10,060	10
Income taxes payable	2,971	309	(2,662)
Accrued bonuses	1,891	1,034	(857)
Others	18,247	22,444	4,197
Total current liabilities	321,962	327,713	5,751
Long-term liabilities;			
Bonds payable	20,000	30,000	10,000
Long-term loans payable	80,625	81,305	680
Employees' retirement benefits	220	245	25
Others	9,425	10,180	755
Total long-term liabilities	110,270	121,731	11,461
Total liabilities	432,233	449,445	17,212
Net assets;			
Shareholders' equity;			
Common stock	45,651	45,651	—
Capital surplus	4	4	—
Retained earnings	72,867	71,795	(1,072)
Treasury stock	(1,434)	(1,437)	(3)
Total shareholders' equity	117,088	116,013	(1,075)
Accumulated other comprehensive income			
Net unrealized holding gains on securities	2,667	3,565	898
Deferred hedge profit and loss	120	329	209
Land revaluation difference	116	116	—
Foreign currency translation adjustments	(1,761)	(575)	1,186
Total accumulated other comprehensive income	1,143	3,436	2,293
Minority interests	2,442	2,489	47
Total net assets	120,674	121,939	1,265
Total liabilities and net assets	552,908	571,384	18,476

Financial Results for the First Quarter ended June 30, 2013

《Consolidated Statements of Income and Comprehensive Income》

(Rounded down to millions of yen)

	<i>Millions of yen</i>		
	First quarter ended June 30, 2012	First quarter ended June 30, 2013	Increase(Decrease)
Net sales	373,322	384,486	11,164
Cost of sales	362,253	371,962	9,709
Gross profit	11,068	12,523	1,455
Selling, general and administrative expenses	7,883	8,817	934
Operating income	3,185	3,705	520
Other income;			
Interest income	201	185	(16)
Dividend income	256	256	—
Foreign exchange gain	—	171	171
Others	323	264	(59)
Total other income	781	877	96
Other expenses;			
Interest expenses	757	731	(26)
Foreign exchange loss	5	—	(5)
Others	312	310	(2)
Total other expenses	1,075	1,042	(33)
Ordinary income	2,891	3,541	650
Extraordinary loss;			
Loss on devaluation of investments securities	3,174	—	(3,174)
Total extraordinary loss	3,174	—	(3,174)
Income before income taxes and minority interest	(283)	3,541	3,824
Income taxes	(139)	1,512	1,651
Income before minority interest	(143)	2,029	2,172
Minority interest in net income	(8)	9	17
Net income	(135)	2,019	2,154
Minority interest in net income	(8)	9	17
Income before minority interest	(143)	2,029	2,172
Other Comprehensive Income			
Net unrealized holding gains on securities	(154)	900	1,054
Deferred hedge profit and loss	(116)	208	324
Foreign currency translation adjustments	193	1,261	1,068
Total other comprehensive Income	(77)	2,370	2,447
Comprehensive Income	(221)	4,400	4,621
Comprehensive income attributable to			
Comprehensive income attributable to owners of the parent	(253)	4,312	4,565
Comprehensive income attributable to minority interests	32	87	55

Financial Results for the First Quarter ended June 30, 2013

《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 first quarter ended June 30, 2012 and 2013, is as follows:

(Rounded down to millions of yen)

First quarter ended June 30, 2012

Millions of yen

	Reportable segment						Other	Total	Adjustment	Consolidated
	Steel	Metals & alloys	Non-ferrous metals	Foods	Petroleum & chemicals	Sub-total				
Net sales										
Customers	174,151	27,891	15,999	22,145	100,835	341,023	32,298	373,322	—	373,322
Inter-segment	4,001	556	464	115	1,569	6,706	11,357	18,063	(18,063)	—
Total	178,152	28,448	16,463	22,260	102,404	347,730	43,655	391,386	(18,063)	373,322
Segment income(loss)	1,764	983	490	157	570	3,966	698	4,665	(1,773)	2,891

First quarter ended June 30, 2013

Millions of yen

	Reportable segment						Other	Total	Adjustment	Consolidated
	Steel	Metals & alloys	Non-ferrous metals	Foods	Petroleum & chemicals	Sub-total				
Net sales										
Customers	178,571	21,609	19,325	20,459	107,344	347,311	37,174	384,486	—	384,486
Inter-segment	5,018	1,131	478	213	1,680	8,522	13,255	21,778	(21,778)	—
Total	183,589	22,740	19,804	20,673	109,025	355,833	50,430	406,264	(21,778)	384,486
Segment income(loss)	2,751	542	478	511	522	4,806	241	5,407	(1,505)	3,541

Notes:

1. "Other" comprises businesses that are not included in reportable segments, such as lumber section, machinery section and overseas sales subsidiaries.
2. Adjustments for segment income include intersegment elimination and Group costs that have not been distributed to reportable segments. These group costs consist mainly of expenses of administrative departments.