

Date: May 12, 2017

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## Notice Concerning Dividend from Retained Earnings

Hanwa Co., Ltd. (“Hanwa”) announces that the Board of Directors meeting of Hanwa, held on May 12, 2017, resolved to pay dividends with a record date of March 31, 2017, as follows:

### 1. Details of Dividends

|                     | Today’s resolution | Recent forecast<br>(as of February 10, 2017) | FY2015 result<br>(Actual) |
|---------------------|--------------------|--|---------------------------|
| Record date         | March 31, 2017     | March 31, 2016                               | March 31, 2016            |
| Dividend per share  | ¥10.00             | ¥9.00  | ¥10.00                    |
| Total dividends     | ¥2,031 million     | -  | ¥2,072 million            |
| Effective date      | June 30, 2017      | -  | June 29, 2016             |
| Source of dividends | Retained earnings  | -  | Retained earnings         |

### 2. Reasons for the Determination

Hanwa considers sustainable returns to shareholders to be one of the main policies. While stable dividend payment to shareholders is our primary policy, we dedicate to constant improvement in our profitability, aiming to increase dividends as improving our basic revenue level as well as returns from our strategic investments.

Having considered that our profitability had improved by achieving operational profits which exceeded our initial forecasts, we decided to pay 10.00 yen per share as year-end dividend, an increase of 1.00 yen from the previous forecast of 9.00 yen. As a result, the annual dividend for FY2016 will be 19.00 yen per share, including 9.00 yen of interim dividend,.

This resolution is subject to approval at the 70<sup>th</sup> Ordinary General Meeting of shareholders scheduled for June 29, 2017.

(Reference) Outlook of the annual dividend is as follows:

|   | Dividend per share |          |        |
|---|--------------------|----------|--------|
| Record date                               | Interim            | Year-end | Total  |
| Dividend outlook                          |                    | ¥10.00   | ¥19.00 |
| Paid for FY2016                           | ¥9.00              |          |        |
| Paid for FY2015<br>(ended March 31, 2016) | ¥8.00              | ¥10.00   | ¥18.00 |