

Date: May 11, 2018

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Notice Concerning Dividend from Retained Earnings (Dividend Increase and Commemorative Dividend)

Hanwa Co., Ltd. (“Hanwa”) announces that the Board of Directors of Hanwa, held on May 11, 2018, resolved to pay dividends with a record date of March 31, 2018, as follows:

1. Details of Dividends

	Today’s resolution	Recent forecast (as of February 9, 2018)	FY2016 result (Actual)
Record date	March 31, 2018	March 31, 2018	March 31, 2017
Dividend per share	¥75.00 (Ordinary : ¥65.00) (Commemorative : ¥10.00)	¥50.00	¥10.00
Total dividends	¥3,047 million	-	¥2,031 million
Effective date	June 25, 2018	-	June 30, 2017
Source of dividends	Retained earnings	-	Retained earnings

2. Reasons for the Determination

Hanwa considers that sustainable return to shareholders is one of the main policies. While stable dividend payment to shareholders is our primary aim, Hanwa 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 our better operational profit by exceeding from our initial forecasts, Hanwa decided to pay 65.00 yen per share as ordinary dividend, as well as an increase of 15.00 yen from the previous forecast of 50.00 yen. In addition, Hanwa will pay 10.00 yen per share as commemorative dividend to celebrate the 70th anniversary from our foundation and to express gratitude to its shareholders. As a result, the year-end dividend will be 75.00 yen per share.

This resolution is subject to approval at the 71th Ordinary General Meeting of shareholders scheduled for June 22, 2018.

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

	Dividend per share		
	Interim	Year-end	Total
Record date			
Dividend outlook		¥75.00 (Ordinary : ¥65.00) (Commemorative : ¥10.00)	—
Paid for FY2017	¥10.00		
Paid for FY2016 (ended March 31, 2017)	¥9.00	¥10.00	¥19.00

*Effective October 1, 2017, HANWA consolidated its common shares at the ratio of 5 shares to 1 share. Accordingly, the amount for the total annual dividends per share is omitted and shown as a dash.