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JAPAN

SUM

ANNUAL REPORT 2002

HANWA CO., LTD.

For the year ended March 31, 2002

阪和興業株式会社

Corporate Profile

Since its establishment in 1947, Hanwa has contributed to the development of the Japanese economy as a trading company handling industrial materials, such as steel — the company's leading product — and nonferrous metals, food products, lumber, machinery, petroleum, chemical products, and cement. Our steel division in particular is equipped with quay and warehouse transportation facilities as well as complete processing sites that enable us to both handle large quantities purchased from major steel manufacturers and to cater to the special needs of our customers. This is why we have long been known in Japan as a "steel trading company."

Recently, with the changes and diversification of the domestic market, we have demonstrated new capabilities as a trading company by handling seafood products, rides for amusement parks, and nonferrous metal recycling. We have created numerous businesses in these fields that command the top market share. The basic strategies underlying such success are internationalization, business diversification, and value enhancement.

Hanwa's ideal function as a trading company is to be more than just a distributor. Based on our insight of the international market and information-gathering capabilities, we aim to develop new products, as well as coordinate ventures among businesses. As a trading company with such operating skills at our disposal, we will continue to develop new unique businesses.

About the Cover

The Chinese character for the syllable *wa* of Hanwa's name has four meanings in Japanese: Japan, harmony, sum (as in addition) and peace.

These key words capture the essence of Hanwa's ideals: to trade products that meet the needs of customers through a business relationship with the countries of the world, incorporating new ideas into the products to bring peace and harmony to people's lives.

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HANWA CO., LTD., AND CONSOLIDATED SUBSIDIARIES

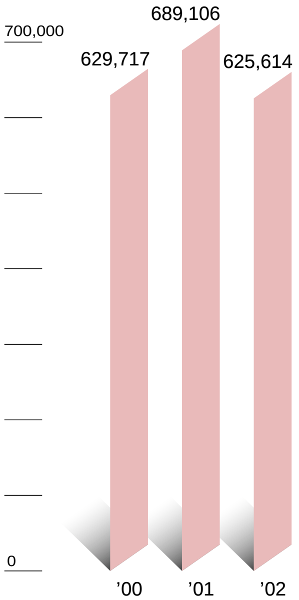
Financial Highlights

For the years ended March 31, 2002 and 2001

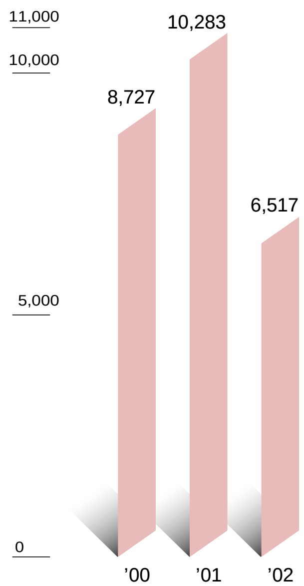
	Millions of yen		Thousands of U.S. dollars	
	2002	2001	**2002**	2001
Net sales	**¥ 625,614**	¥ 689,106	**$ 4,695,039**	$ 5,171,527
Operating income	**6,517**	10,283	**48,908**	77,171
Net income	**3,587**	1,945	**26,919**	14,597

Note: The U.S. dollar amounts represent translations, for convenience only, of yen amounts at the rate of ¥133.25=$1.00.

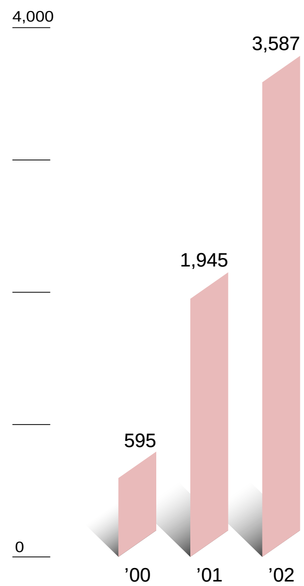
Net sales
(Millions of yen)



Operating income
(Millions of yen)



Net income
(Millions of yen)



President's Message

The Japanese economy suffered from steadily worsening deflationary pressures during the last fiscal year, with declining exports and equipment investment caused by the slowdown of the US economy, by decreased demand from the information and telecommunications industries, and by the lack of improvement in consumer demand in light of the increasingly uncertain labor situation. In addition, financial institutions had to cope with a poor credit situation caused by the need to decrease bad debts and by a sudden increase of hidden losses in their stock holdings caused by the decline of stock prices.

Overseas, the situation is also quite difficult, with the impact of last year's terrorist attacks in the U.S. adding to that economy's slowdown, as well as similar trends in Asia and Europe.

Our group (Hanwa Co., Ltd. and its consolidated subsidiary companies) aggressively promoted our marketing efforts by making the best use of our management resources, bolstering our financial strength, taking extraordinary care in extending trade credits, and by strengthening our customer relationships. In spite of all this, our consolidated sales reached only ¥625,614 million (down 9.2% from last year). This was largely due to the poor business environment characterized by weak demand and declining market prices.

Despite our considerable efforts to carefully scrutinize of our current trades and to emphasize profitability in trading, operating income dropped to ¥6,517 million (down 36.6% year to year). At the same time, financial income improved drastically and we accounted for a loss of ¥2,037 million, which was a reserve for losses incurred by the repurchase of previously sold real estate and we adopted the tax effect accounting method. Consequently, we arrived at a net income of ¥3,587 million (up 84.4% year/year). Business results by product segment are explained below.

Steel

The environment for the steel business has not been good: public investment and private sector equipment investment were both slow; domestic demand for housing, automobiles and electric appliances remained stagnant; and market prices in general, and for steel sheets in particular, remained weak. As a result, sales in this segment were down by ¥33,853 million (9.1%) from the previous year to ¥338,591 million, and operating income decreased by ¥916 million (14.9% year/year) to ¥5,228 million.

Non-ferrous Metals

Production adjustments by IT-related equipment manufacturers and the shift in market conditions for non-ferrous metals led to a sales decline of ¥8,988 million (down 14.2% year/year) to ¥54,247 million, and operating income by ¥560 million (down 30.8% year/year) to ¥1,262 million.

Foods

As deflationary pressures mounted and cheaper merchandise became more popular, sales for the fiscal year decreased by ¥13,848 million (down 13.8% from the previous year) to ¥86,171 million, and income declined by ¥747 million (33.6%) to ¥1,477 million.

Petroleum and Chemicals

Chemicals in this division benefited from the increase in imports and from new customer accounts, but petroleum encountered a sudden decline in demand in the latter half of the fiscal year. Consequently, sales fell by ¥2,480 million (2.3%) to ¥106,528 million, and operating income by ¥718 million (60.8%) to ¥463 million.

Other business

Among other sectors, lumber has been performing poorly due to the slowdown of housing demand and the decline of unit prices. Sales decreased by ¥4,323 million (9.7%) from the previous year to ¥40,077 million, and operating income by ¥980 million (33.1%) to ¥1,984 million.

In the current economic environment, marked by increasing globalization and borderless business, we as a trading company have an important role to play in the logistics economy. Our Group intends to strengthen our various businesses, our logistics and our processing capabilities. At the same time, we will strive to create new lines of business and to expand our capabilities into related areas.

We intend to speed up our decision-making process and execution in order to strengthen our competitiveness. We will build up an organization in which the check-and-balance function helps to properly control our business. We are determined to implement a management style that emphasizes increasing profitability and a more substantial return on equity.

In January 2001, we set out a three-year medium-term business plan for the period from fiscal 2002-2004, and we are working hard to achieve the targets and to realize the vision embodied in this plan.

In July of 2001, we concluded a program to decrease the amount of our paid-up capital and wrote off the accumulated losses on our balance sheet. Based on a resolution adopted at our General Stockholders Meeting held on June 27, 2002, we resumed dividend payments of 5 yen per share. We intend to continue regular dividend payments and will try not only to maintain a stable financial profile but actually to improve it. In addition, we will boost the functionality of our own unique electronic commerce trading system, “hanwa-steel.com” and expand the lines of products traded there. We plan to improve customer relationships while simultaneously strengthening and rationalizing our logistics capability. We will also be

aggressively pursuing new business plans in such areas as recycling and other new and peripheral areas as part of an effort to fortify our corporate structure and produce stable profits.

While the Japanese economy seems to have halted its downward trend, no significant improvement has been seen in the level of corporate profits, personal incomes, or the overall employment situation. It is likely that the current difficult situation will continue for some time to come, which precludes us sounding optimistic at this stage.

Our corporate group will continually strive to rationalize our management across a broad front, pursuing efficiency, working to emphasize the importance of profits, managing trade risks to overcome the current difficulties in the business environment, and building a firm management foundation to support a profitable corporate structure.

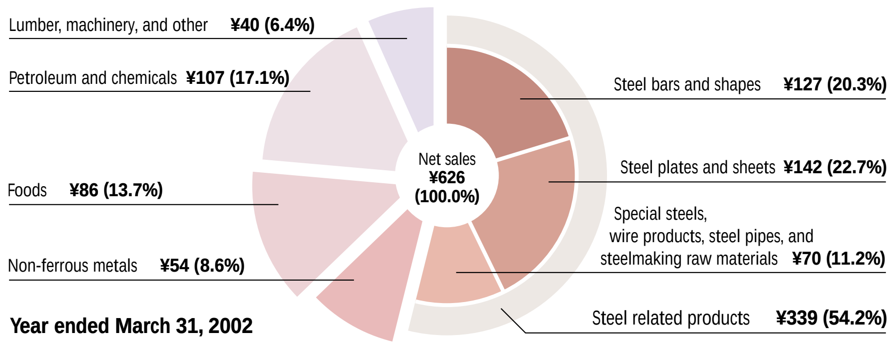
August 2002

Shuji Kita
President & C.E.O.
Hanwa Co., Ltd.

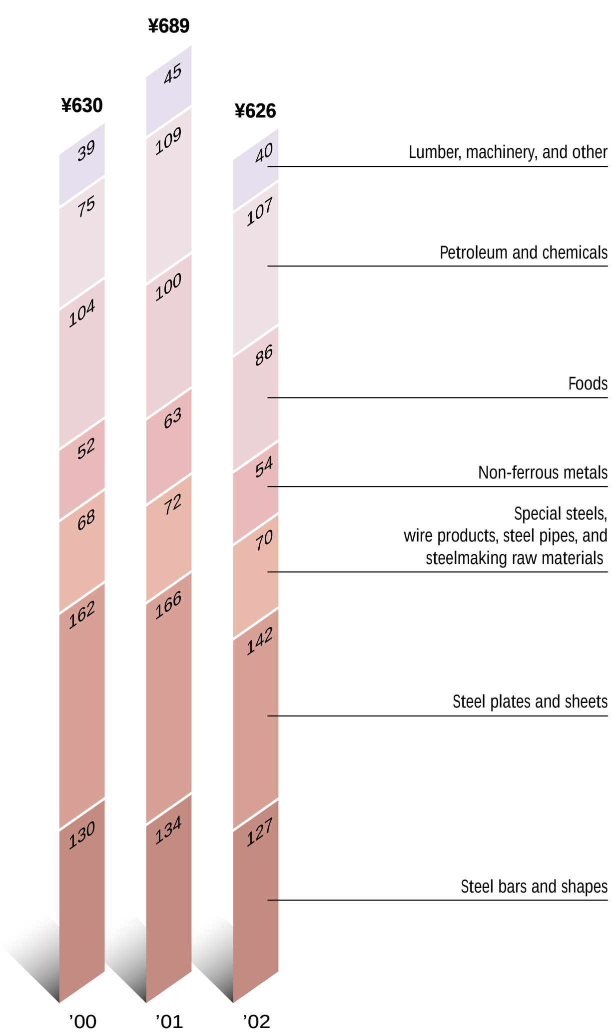
北　修爾
取締役社長
阪和興業株式会社

Review of Operations

Net Sales by Product (Billions of yen)



Year ended March 31, 2002



Steel (Domestic)

Review of fiscal year 2002

In fiscal year 2002, total steel production in Japan decreased by approximately 4.5% over the previous year. In parallel with this, the Division's sales value showed a decrease of 10.6% from the previous year due to the sluggish demand in the domestic market and the collapse of unit prices due to excess production capacity.

Steel Bars and Shapes

The first half of this fiscal year saw a decrease in demand both from public-works projects due to financial reforms in government expenditures and from weak investments in the private sector, as well as weakness in housing construction.

However, there were increasing orders for steel scrap and steel billets from neighboring countries. This helped to bolster the domestic market price in the last half of the year.

Sheet Products and Special Steel

The automobile industry and shipbuilding industry remained comparatively firm. Production in the electric appliance industry was weak as more factories were transplanted to China. This resulted in a collapse of steel prices and a huge deficit among major Japanese blast furnace mills.

Outlook for fiscal year 2003

In fiscal year 2003, expect that sales in the Domestic Steel Division will recover gradually. There will be announcements of an upturn in prices in all steel products, supported by increasing demand from active markets like China, Korea and Taiwan, and the higher prices will be accepted by distributors and even the biggest end users like the automobile industry.

The automobile and shipbuilding industries are expected to be active, while the electric home appliances and construction materials sectors may see some decline. There is a sign that the overcapacity of Japanese blast furnace mills will be restructured under the huge deficit in fiscal 2003.

Logistic systems based on our distribution network and processing capability are our greatest strength. We are continuously upgrading them in both capacity and efficiency. We will further build up our e-commerce site, "hanwa-steel.com," which was successfully introduced two years ago.

While maintaining the basic steel businesses that are already in place, we will diversify into new areas such as steel houses, steel pallets, and the leasing of steel construction materials.

Steel (Overseas)

Review of fiscal year 2002

In fiscal year 2002, the Division exported 863,000 tons of steel, a 16.8% increase in volume from the previous year.

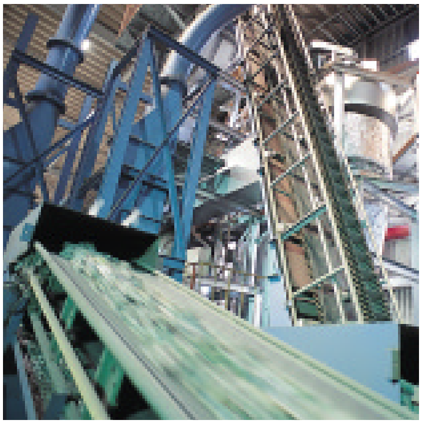
Exports to China and Korea were very brisk in the second half, but the price was sharply depressed due to a huge volume of steel products that were redirected from the newly protected U.S. market to the Asian market.

Sales, however, were stable year to year, reaching ¥50,318 million. The worldwide price decrease of steel products started in the first half of 2002 and reached bottom at the end of the second half of the term. The weaker Japanese yen and increasing sales volume helped to maintain the sales amount.

Outlook for fiscal year 2003

We will focus on China and ASEAN markets.

China announced import restrictions on ordinary steel and stainless products which may be affecting the market fluctuations. We will diversify, however, into more value-added products and cultivate new markets. We will further reinforce our staff in the overseas offices, particularly in China, Thailand and Vietnam.



Non-ferrous Metals

Review of fiscal year 2002

Sales fell 14.2% to ¥54,024 million due to major production cuts at many firms caused by decreasing demand for copper, nickel, rare earths, and magnesium from IT-related industries and also by a weakening of prices in the commodity market.

The business of recycling aluminum cans developed satisfactorily. The scope of operations grew and operations have been improving.

The business of supplying raw materials for stainless steel was supported thanks to our success in securing new supply sources and finding new materials.

Outlook for fiscal year 2003

The decrease of supply to IT-related industries bottomed out and we can now be somewhat optimistic about a rapid recovery. The aluminum can recycling business can be expected to grow steadily.

The following two lines of businesses should be noted:

- Growing demand from the solar energy industry is promising and we have higher hopes for growth in the latter half of the year.
- Importing ferroalloys from South Africa is very practical from a medium-term standpoint and can become a stable business segment.

Food Products

Review of fiscal year 2002

Japan's import of fishery products increased in terms of volume to a historically high level of 3,820,000 tons (108% of the volume in the previous year), while the value declined for the third consecutive year to ¥1,720 billion (only 99.2% of the previous year's level). Our company's results were down in both volume and value, registering 172,000 tons (down 7% from the previous year), and ¥86,171 million (down 13.7% year/year).

Among products that rose both in volume and value were processed fish products, horse mackerel, smelts, sardines, etc. Products that were conspicuously weak were shrimps and prawns, salmon, octopus, etc. During the first half of the term, prices of some major merchandise such as prawns, shrimps and eels declined severely, hurting this segment seriously. But the general price recovery in the latter half brought the results back up, leading to the numbers shown above.

Outlook for fiscal year 2003

Prices in general have bottomed out. But the market is not strong enough for prices to rise. While demand remains weak, prices have stopped declining, although they are still quite low. There are some brighter signs in the market, however. While the general situation of cheaper mainstream products persists, we are now seeing some special "hit" products appear. We will export fish to third countries to make processed products for export back to Japan, and we will try to increase such imports. Our sales target in this segment is to return to the ¥100,000 million level that we attained in the fiscal 2001 term.

Petroleum and Chemicals

Review of fiscal year 2002

The terrorist attacks in the United States last year were a serious blow to world demand for petroleum. Demand in Japan decreased by 2.6% from the previous year, falling to a level last seen 7 years ago. With the background of declining prices and an increasing number of petroleum-related companies disappearing, our company was remarkably successful in keeping sales flat at our year-ago level. Much of the credit for this goes to our proactive marketing strategy.

Outlook for fiscal year 2003

Disturbances are continuing worldwide and the business environment for the petroleum industry remains unstable. Against this weak forecast for the world economy, it is difficult to expect any recovery of demand in the near term. We will maintain our sales volume at a level similar to the previous year, and plan to continue our efforts to rationalize our marketing strategies.

Lumber

Review of fiscal year 2002

Both sales and volume declined 12% from the previous year, with sales registering ¥25,456 million and a total volume of 745,000 cubic meters. Declining demand from the housing sector was the main reason. In addition, the relative strength of both the euro and dollar against the yen raised costs and depressed earnings.

Although imports in the broader market generally declined, lumber imports from Russia, China and Chili showed strong growth, up 37% from the previous year. Plywood imports from China showed particularly strong growth and became one of the major items in the lumber sector.

Outlook for fiscal year 2003

We forecast housing starts to be around 1 million units during calendar year 2002, which would be a decline of 10% compared with 2001. Still, we plan to achieve sales of ¥28,000 million, a 10% increase year to year, through aggressive sales promotion.

One major matter of concern in the lumber industry is the uncertain financial conditions at some companies. Consequently, we will be highly selective in providing credit to our customer base.

Machinery

Review of fiscal year 2002

Leisure Sector: During fiscal year 2002, Tokyo Disney Land and Disney Sea attracted a combined 21 million visitors, and Universal Studios Japan attracted 12 million. While these two major attractions were outstandingly successful, other medium-sized theme parks have suffered a 10% to 20% decline in visitors compared with the previous year, and some have been forced to close down their facilities. Every one of these theme parks has continued to decrease active investment, just as they did in the previous year. We sold Flume Ride made by Hopkins Rides Inc., a slider made by Proslide, and a fountain made by Atomizing Co. to Laguna Gamagouri. Also we restarted export of used rides to Middle America, Middle East , South Africa, and other countries. Even so, our sales remained 15% below last year's level.

Industrial Machinery: Faced with an uncertain economic outlook and dismal prospects for our customers' own businesses, there is little inclination for companies to make capital investments. Equipment investments are still lagging with no sign of a reversal in sight. In spite of this gloomy forecast, we still achieved a 7% year to year sales increase in this sector.

1) Sales to recycling centers were positive: crushers, cutters, pressing machine, volume-reducing equipments, magnetic separator, refuse cranes, bag filters, etc.
2) Sales of steel processing machineries such as cutters, drills, and bevelling machines to steel fabricating and shearing industries.
3) Exports to the Middle East of Yanmar Diesel's marine engines, and land-use engines and pumps made by Fuji Heavy Industries.

Outlook for fiscal year 2003

In the leisure area, sales are targeted to remain unchanged. We have a number of basic orders in hand, i.e., providing the Tokyo Dome Redevelopment Project with three kinds of equipment, Flume Ride to be made by Hopkins and Musical Fountain created by Waltzing Water and Horror House (production coordinated by Hanwa). Also, as part of the Huis Ten Bosch 10th anniversary renewal project, we will be involved in the renovation of its Aqualint, and will supply two kids attractions, Foam Factory made by SCS and Cycle Monorail (production coordinated by Hanwa). We are scheduled to start concession business at Woobang Tower Land in Korea. In addition, we plan to explore new opportunities among financially stronger theme parks in the Chukyo and Kanto areas.

In the industrial sector we will continue our efforts to

1) sell environmental machinery and equipment to recycling industries,
2) increase sales of steel fabrication machinery,
3) expand markets for ozone creating equipment for sterilizing and bleaching.

We aim to increase sales by 50% to ¥2,000 million.

Topics

1. Electronic commerce trading system

By December of last year, our electronic commerce trading system, "hanwa-steel.com," had extended its dealing areas beyond the Kanto and Chubu areas to Kansai, Hokkaido, and Shikoku. Our aggressive sales promotion activities, e.g., our Hit Campaign and Point Back Campaign, helped to increase sales volume to more than 24,000 tons in October of 2001. The site has gained a reputation as the place where users can feel the personal presence of a salesman. We intend to continue to expand its service area and increase sales through this system.

2. Promotion of environment-related business

In line with the global movement towards recycling of industrial waste, our company is actively engaged in developing various business models related to recycling. We obtained ISO 14001 certification back in April 2000. In December this year, the provisions of a law providing special measures to deal with dioxin-related problems will be strengthened. Our company function as a secretariat office in a research group that include 20 organizations, among them a university and companies from the construction, chemical and other industries. Everyone is working together to overcome the problems of dioxin and heavy metals tainted furnaces, looking for safe, economical ways to eliminate furnaces. The practical outcomes of the study are likely to be adopted as business projects operated by local governments.

3. Founding of Hanwa Steel Services Ltd.

On April 4, 2002, our company founded a 100%-owned subsidiary, Hanwa Steel Services Ltd. in the Second Techno Park in Omi Minakuchi of Shiga Prefecture to operate as a slitter and leveler plant. This company operates as the core of our steel sheet fabrication services to better serve steel sheet users in the Shiga and Mie areas. Its aim is to cut the lead time between the receipt of orders and delivery and to respond to small-lot orders with quick turnaround. Such services are an important part of the medium-term business plan announced last year, strengthening company's capabilities in logistics and fabrication strategies. They also serve to create a stable supply and exploit potential demand. The company is capable of fabricating 10,000 tons a month and will start its operations in December of this year.

President Kita at "Jichinsai" (the ceremony of purifying a building site). June 2002

Financial Section

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HANWA CO., LTD. AND CONSOLIDATED SUBSIDIARIES

Consolidated Balance Sheets

As at March 31, 2002 and 2001

Assets	Millions of yen 2002	Millions of yen 2001	Thousands of U.S. dollars (Note 1) 2002	Thousands of U.S. dollars (Note 1) 2001
Current assets:				
Cash and cash equivalents	**¥ 35,183**	¥ 27,701	**$ 264,038**	$ 207,888
Marketable securities (Note 3)	**3,304**	6,185	**24,795**	46,416
Receivables:				
Trade notes and accounts:				
Unconsolidated subsidiaries and affiliates	**2,499**	2,542	**18,754**	19,077
Other	**127,144**	148,608	**954,176**	1,115,257
Loans:				
Unconsolidated subsidiaries and affiliates	**2,233**	1,735	**16,758**	13,021
Other	**2**	66	**15**	495
Allowance for doubtful receivables	**(581)**	(479)	**(4,360)**	(3,595)
Inventories	**27,605**	33,819	**207,167**	253,801
Deferred income taxes (Note 8)	**1,952**	37	**14,649**	278
Other current assets (Note 5)	**16,451**	13,811	**123,460**	103,647
Total current assets	**215,792**	234,025	**1,619,452**	1,756,285
Investments and non-current receivables:				
Investment securities (Notes 3 and 5):				
Unconsolidated subsidiaries and affiliates	**1,437**	1,527	**10,784**	11,460
Other	**9,572**	12,277	**71,835**	92,135
Loans receivable:				
Unconsolidated subsidiaries and affiliates	**723**	191	**5,426**	1,433
Other	**1,155**	1,274	**8,668**	9,561
Other investments and non-current receivables	**15,123**	13,765	**113,493**	103,302
Allowance for doubtful receivables	**(4,972)**	(3,855)	**(37,313)**	(28,931)
Total investments and non-current receivables	**23,038**	25,179	**172,893**	188,960
Property and equipment (Note 5):				
Land (Note 9)	**28,421**	13,898	**213,291**	104,300
Buildings and structures	**18,901**	22,165	**141,846**	166,342
Other	**6,084**	5,882	**45,659**	44,143
Accumulated depreciation	**(8,323)**	(13,332)	**(62,462)**	(100,053)
Total property and equipment	**45,083**	28,613	**338,334**	214,732
Other assets:				
Deferred income taxes — noncurrent (Note 8)	**115**	8	**863**	60
Intangibles and other assets	**487**	350	**3,655**	2,627
Total other assets	**602**	358	**4,518**	2,687
Total	**¥ 284,515**	¥ 288,175	**$ 2,135,197**	$ 2,162,664

See accompanying Notes to Consolidated Financial Statements.

Liabilities and Stockholders' Equity	Millions of yen 2002	Millions of yen 2001	Thousands of U.S. dollars (Note 1) 2002	Thousands of U.S. dollars (Note 1) 2001
Current liabilities:				
Bank loans (Note 6)	**¥ 96,119**	¥ 108,545	**$ 721,343**	$ 814,597
Long-term debt due within one year (Note 6)	**1,336**	4,769	**10,026**	35,790
Trade notes and accounts payable:				
Unconsolidated subsidiaries and affiliates	**382**	311	**2,867**	2,334
Other	**84,891**	101,099	**637,080**	758,717
Accrued bonuses to employees	**1,329**	1,247	**9,974**	9,358
Income taxes payable	**382**	269	**2,867**	2,019
Other current liabilities	**10,141**	9,836	**76,105**	73,816
Total current liabilities	**194,580**	226,076	**1,460,262**	1,696,631
Non-current liabilities:				
Long-term debt due after one year (Note 6)	**34,979**	34,315	**262,507**	257,523
Employees' retirement benefits (Note 7)	**1,222**	759	**9,171**	5,696
Directors' retirement benefits	**280**	314	**2,101**	2,357
Reserve for loss on sale-repurchase agreement of land	**2,037**	—	**15,287**	—
Deferred income taxes (Note 8)	**—**	34	**—**	255
Other non-current liabilities	**2,229**	1,229	**16,728**	9,223
Total non-current liabilities	**40,747**	36,651	**305,794**	275,054
Minority interest	**—**	—	**—**	—
Contingent liabilities (Note 12)				
Stockholders' equity (Note 9):				
Common stock,				
Authorized: 570,000,000 shares				
Issued: 211,663,200 shares	**45,651**	82,646	**342,597**	620,233
Additional paid-in capital	**—**	19,227	**—**	144,292
Land revaluation difference	**(418)**	—	**(3,137)**	—
Retained earnings (Undisposed deficit)	**5,141**	(72,892)	**38,581**	(547,032)
Net unrealized holding losses on securities	**(808)**	—	**(6,063)**	—
Foreign currency translation adjustments	**(377)**	(3,533)	**(2,829)**	(26,514)
Treasury stock, at cost: 7,832 shares (3,723 in 2001)	**(1)**	—	**(8)**	—
Total stockholders' equity	**49,188**	25,448	**369,141**	190,979
Total	**¥ 284,515**	¥ 288,175	**$ 2,135,197**	$ 2,162,664

HANWA CO., LTD. AND CONSOLIDATED SUBSIDIARIES

Consolidated Statements of Income

For the years ended March 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2002	2001	**2002**	2001
Net sales	**¥ 625,614**	¥ 689,106	**$ 4,695,039**	$ 5,171,527
Cost of sales	**597,750**	659,044	**4,485,929**	4,945,921
Gross profit	**27,864**	30,062	**209,110**	225,606
Selling, general and administrative expenses	**21,347**	19,779	**160,202**	148,435
Operating income	**6,517**	10,283	**48,908**	77,171
Other income (expenses):				
Interest and dividend income	**1,700**	2,931	**12,758**	21,996
Interest expense	**(2,733)**	(7,428)	**(20,510)**	(55,746)
Gain on sale of land	**—**	4,315	**—**	32,383
Provision for doubtful receivables	**—**	(2,100)	**—**	(15,760)
Loss on loans receivable	**—**	(1,525)	**—**	(11,445)
Loss on write-down of investment securities	**(498)**	(836)	**(3,738)**	(6,274)
Loss on sale of investment securities	**—**	(591)	**—**	(4,435)
Loss on write-down of investment	**—**	(115)	**—**	(863)
Loss on write-down of golf club memberships	**(157)**	(163)	**(1,178)**	(1,223)
Loss on sale of golf club memberships	**—**	(50)	**—**	(375)
Net transition obligation of retirement plans (Note 7)	**—**	(495)	**—**	(3,715)
Provision for loss on sale-repurchase agreement of land	**(2,037)**	—	**(15,287)**	—
Other, net	**(848)**	(1,896)	**(6,364)**	(14,228)
Income before income taxes	**1,944**	2,330	**14,589**	17,486
Income taxes (Note 8):				
Current	**388**	338	**2,912**	2,536
Deferred	**(2,031)**	47	**(15,242)**	353
	(1,643)	385	**(12,330)**	2,889
Net income	**¥ 3,587**	¥ 1,945	**$ 26,919**	$ 14,597

	Yen		U.S. dollars (Note 1)	
	2002	2001	**2002**	2001
Net income per share	**¥ 16.95**	¥ 9.19	**$ 0.127**	$ 0.069
Cash dividends per share	**5.00**	—	**0.038**	—

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Stockholders' Equity

For the years ended March 31, 2002 and 2001

	Thousands	Millions of yen						
	Number of share of common stock	Common stock	Additional paid-in capital	Land revaluation difference	Retained earnings (Undisposed deficit)	Net unrealized holding losses on securities	Foreign currency translation adjustments	Treasury stock
Balance at March 31, 2000	211,663	¥ 82,646	¥ 19,227	¥ —	¥ (74,837)	¥ —	¥ —	¥ —
Net income	—	—	—	—	1,945	—	—	—
Adjustments from translation of foreign currency financial statements	—	—	—	—	—	—	(3,533)	—
Treasury stock	—	—	—	—	—	—	—	—
Balance at March 31, 2001	**211,663**	**82,646**	**19,227**	**—**	**(72,892)**	**—**	**(3,533)**	**—**
Common stock reduction (Note 9)	**—**	**(36,995)**	**—**	**—**	**36,995**	**—**	**—**	**—**
Disposition of deficit (Note 9)	**—**	**—**	**(19,227)**	**—**	**19,227**	**—**	**—**	**—**
Land revaluation difference (Note 9)	**—**	**—**	**—**	**(418)**	**—**	**—**	**—**	**—**
Effect arising from merger of consolidated subsidiary	**—**	**—**	**—**	**—**	**18,224**	**—**	**—**	**—**
Net income	**—**	**—**	**—**	**—**	**3,587**	**—**	**—**	**—**
Net unrealized holding losses on securities	**—**	**—**	**—**	**—**	**—**	**(808)**	**—**	**—**
Adjustments from translation of foreign currency financial statements	**—**	**—**	**—**	**—**	**—**	**—**	**3,156**	**—**
Treasury stock	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(1)**
Balance at March 31, 2002	**211,663**	**¥ 45,651**	**¥ —**	**¥ (418)**	**¥ 5,141**	**¥ (808)**	**¥ (377)**	**¥ (1)**

	Thousands of U.S. dollars (Note 1)						
	Common stock	Additional paid-in capital	Land revaluation difference	Retained earnings (Undisposed deficit)	Net unrealized holding losses on securities	Foreign currency translation adjustments	Treasury stock
Balance at March 31, 2000	$ 620,233	$ 144,292	$ —	$ (561,629)	$ —	$ —	$ —
Net income	—	—	—	14,597	—	—	—
Adjustments from translation of foreign currency financial statements	—	—	—	—	—	(26,514)	—
Treasury stock	—	—	—	—	—	—	—
Balance at March 31, 2001	**620,233**	**144,292**	**—**	**(547,032)**	**—**	**(26,514)**	**—**
Common stock reduction (Note 9)	**(277,636)**	**—**	**—**	**277,636**	**—**	**—**	**—**
Disposition of deficit (Note 9)	**—**	**(144,292)**	**—**	**144,292**	**—**	**—**	**—**
Land revaluation difference (Note 9)	**—**	**—**	**(3,137)**	**—**	**—**	**—**	**—**
Effect arising from merger of consolidated subsidiary	**—**	**—**	**—**	**136,766**	**—**	**—**	**—**
Net income	**—**	**—**	**—**	**26,919**	**—**	**—**	**—**
Net unrealized holding losses on securities	**—**	**—**	**—**	**—**	**(6,063)**	**—**	**—**
Adjustments from translation of foreign currency financial statements	**—**	**—**	**—**	**—**	**—**	**23,685**	**—**
Treasury stock	**—**	**—**	**—**	**—**	**—**	**—**	**(8)**
Balance at March 31, 2002	**$ 342,597**	**$ —**	**$ (3,137)**	**$ 38,581**	**$ (6,063)**	**$ (2,829)**	**$ (8)**

Consolidated Statements of Cash Flows

For the years ended March 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2002	2001	**2002**	2001
Cash flows from operating activities:				
Income before income taxes	**¥ 1,944**	¥ 2,330	**$ 14,589**	$ 17,486
Adjustments to reconcile income before income taxes to net cash provided by operating activities				
Depreciation	**1,877**	1,547	**14,086**	11,610
Increase (decrease) in allowance for doubtful receivables	**1,212**	(604)	**9,096**	(4,533)
Interest and dividend income	**(1,700)**	(2,931)	**(12,758)**	(21,996)
Interest expense	**2,733**	7,428	**20,510**	55,746
Gain on sale of land	**—**	(4,315)	**—**	(32,383)
Provision for loss on sale-repurchase agreement of land	**2,037**	—	**15,287**	—
Loss on loans receivable	**—**	1,525	**—**	11,445
Loss on write-down of investment securities	**498**	836	**3,738**	6,274
Loss on sale of investment securities	**—**	591	**—**	4,435
Loss on write-down of investment	**—**	115	**—**	863
Loss on write-down of golf club memberships	**157**	163	**1,178**	1,223
Loss on sale of golf club memberships	**—**	50	**—**	375
Net transition obligation of retirement plans	**—**	495	**—**	3,715
Decrease (increase) in trade receivables	**19,247**	(13,150)	**144,443**	(98,687)
Decrease in inventories	**6,327**	727	**47,482**	5,456
Increase (decrease) in trade notes and accounts payable	**(16,368)**	5,975	**(122,837)**	44,841
Other, net	**2,594**	7,848	**19,467**	58,896
Sub total	**20,558**	8,630	**154,281**	64,766
Cash flows during the year for:				
Interest and dividends received	**1,811**	2,887	**13,591**	21,666
Interest paid	**(2,730)**	(7,883)	**(20,488)**	(59,159)
Income taxes paid	**(312)**	(903)	**(2,341)**	(6,777)
Net cash provided by operating activities	**19,327**	2,731	**145,043**	20,496
Cash flows from investing activities:				
Additions to securities	**(3,103)**	(9,688)	**(23,287)**	(72,705)
Proceeds from redemption and sale of securities	**7,363**	39,531	**55,257**	296,668
Additions to property and equipment	**(548)**	(836)	**(4,113)**	(6,274)
Proceeds from sale of property and equipment	**15**	4,950	**113**	37,148
Additions to investment securities	**(243)**	(2,186)	**(1,824)**	(16,405)
Proceeds from redemption and sale of investment securities	**437**	6,447	**3,280**	48,383
Additions to loans receivable	**(2,144)**	(1,388)	**(16,090)**	(10,417)
Repayment of loans receivable	**1,782**	6,276	**13,373**	47,099
Other, net	**(2,207)**	(1,471)	**(16,563)**	(11,039)
Net cash provided by investing activities	**1,352**	41,635	**10,146**	312,458
Cash flows from financing activities:				
Decrease in bank loans, net	**(11,861)**	(12,321)	**(89,013)**	(92,465)
Proceeds from long-term debt	**3,000**	49,400	**22,514**	370,731
Repayments of long-term debt	**(5,769)**	(89,287)	**(43,294)**	(670,071)
Net cash used in financing activities	**(14,630)**	(52,208)	**(109,793)**	(391,805)
Effect of exchange rate changes on cash and cash equivalents	**1,433**	1,108	**10,754**	8,315
Net increase (decrease) in cash and cash equivalents	**7,482**	(6,734)	**56,150**	(50,536)
Cash and cash equivalents at beginning of year	**27,701**	34,435	**207,888**	258,424
Cash and cash equivalents at end of year	**¥ 35,183**	¥ 27,701	**$ 264,038**	$ 207,888

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

1. Basis of presenting consolidated financial statements

Hanwa Co.,Ltd. (the "Company") and its consolidated domestic subsidiaries maintain their accounts and records in accordance with the provisions set forth in the Japanese Commercial Code and the Securities and Exchange Law and in conformity with accounting principles and practices generally accepted in Japan ("Japanese GAAP"). The accounts of overseas consolidated subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles and practices prevailing in the respective countries of domicile.

Certain accounting principles and practices generally accepted in Japan are different from International Accounting Standards and standards in other countries in certain respects as to application and disclosure requirements. Accordingly, the accompanying consolidated financial statements are intended for use by those who are informed about Japanese accounting principles and practices.

The accompanying financial statements have been restructured and translated into English (with some expanded descriptions and the inclusion of statements of stockholders' equity) from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Securities and Exchange Law. Some supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation is not presented in the accompanying financial statements.

The translation of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers, using the prevailing exchange rate at March 31, 2002, which was ¥133.25 to U.S.$1.00. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. Significant accounting policies

Consolidation — The consolidated financial statements include the accounts of the Company and its eight (nine in 2001) significant subsidiaries. The accounts of three foreign subsidiaries are included at their respective fiscal years ending the last day of February. Necessary adjustments for significant transactions occurring between the last day of February and March 31 have been made in the preparation of the consolidated financial statements.

Intercompany transactions and accounts have been eliminated. The Company doesn't apply the equity method, because non-consolidated subsidiaries and affiliated companies are immaterial.

Cash and cash equivalents — In preparing the consolidated statements of cash flows, cash on hand, readily-available deposits and short-term highly liquid investments with maturities of not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

Allowance for doubtful receivables — The allowance for doubtful receivables is provided to cover possible losses on collection. With respect to normal trade accounts receivable, it is stated at an amount based on the actual rate of historical bad debts, and for certain doubtful receivables, the uncollectible amount has been individually estimated.

The allowance for doubtful receivables of overseas consolidated subsidiaries is determined by estimates of management.

Securities — Prior to April 1, 2000, marketable equity securities were stated at the lower of moving average cost or market value. Other securities were stated at moving average cost.

Effective April 1, 2000, the Company and its consolidated subsidiaries adopted the new Japanese accounting standard for financial instruments ("Opinion Concerning Establishment of Accounting Standard for Financial Instruments" issued by the Business Accounting Deliberation Council on January 22, 1999).

Upon applying the new accounting standard, all companies are required to examine the intent of holding each security and classify those securities as (a) securities held for trading purposes (hereafter, "trading securities"), (b) debt securities intended to be held to maturity (hereafter, "held-to-maturity debt securities"), (c) equity securities issued by subsidiaries and affiliated companies, and (d) all other securities that are not classified in any of the above categories (hereafter, "available-for-sale securities").

The Company and its consolidated subsidiaries do not hold held-to-maturity debt securities. Trading securities are stated at fair market value. Gains and losses realized on disposal and unrealized gains and losses from market value fluctuations are recognized as gains or losses in the period of the change. Equity securities issued by subsidiaries and affiliated companies are not consolidated or accounted for using the equity method are stated at moving-average cost. Available-for-sale securities with available fair market values are stated at fair market value. Unrealized gains and unrealized losses on these securities are reported, net of applicable income taxes, as a separate component of stockholders' equity. Realized gains on sale of such securities are computed using moving-average cost.

However, available-for-sale securities with available fair market values were not stated at fair market value as the new standard allowed one year grace period for implementation provided the following information was disclosed. Book value, fair value, net unrealized holding losses and deferred tax assets for these securities on March 31, 2001 were as follows:

	Millions of yen	Thousands of U.S. dollars
Book value	¥ 17,400	$ 130,581
Fair value	16,674	125,133
Net unrealized holding losses on securities, net of tax	700	5,253
Deferred tax assets	26	195

As a result of adopting the new accounting standard for financial instruments, operating income increased by ¥2,014 million ($15,114 thousand) and income before income taxes decreased by ¥1,247 million ($9,358 thousand), including the effect of the new accounting policy for derivatives and golf club memberships.

And upon applying the new standard, the Company and its consolidated subsidiaries examined the intent of holding each security at the beginning of the period and classified available-for-sale securities with maturities of one year or less as marketable securities and the other securities as investment securities. As a result, securities included in the current assets decreased by ¥5,085 million ($38,161 thousand) and investment securities increased by the same amount at April 1, 2001.

At March 31, 2002, as a result of adoping the new accounting standard for available-for-sale securities, net unrealized holding losses on securities of ¥808 million ($6,063 thousand) were recorded in stockholders' equity.

Inventories — Inventories are principally stated at the lower of cost or market value. Cost is determined by the moving average cost method or the specific identification cost method.

Property and equipment — Property and equipment are carried at cost. Depreciation is principally provided on the declining balance method over estimated useful lives. Major renewals and improvements are capitalized. Maintenance, repairs and minor renewals are expensed as incurred.

Software costs — The Company and its consolidated subsidiaries include software in intangible and other assets, and depreciate it using the straight-line method over the estimated useful Life of five years.

Bonuses — The Company and its domestic consolidated subsidiaries follow the Japanese practice of paying bonuses to employees in June and December. As at the balance sheet date, the bonus liabilities are estimated and accounted for on an accrual basis.

Bonuses to directors and statutory auditors, which are subject to approval at the stockholders' meeting, are accounted for as an appropriation of retained earnings.

Income taxes — The Company and its consolidated subsidiaries recognize tax effects of temporary differences between the carrying amounts of assets and liabilities for tax and financial reporting. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Retirement benefits — Substantially all employees of the Company and its consolidated subsidiaries are covered by qualified funded pension plans. The amount of the retirement benefit is, in general, based on length of service, base salary at the time of retirement, and cause of retirement. Annual contributions, which consist of normal cost and amortization of prior service cost are charged to income when paid.

Effective April 1, 2000, the Company and its consolidated subsidiaries adopted the new accounting standard, "Opinion on Setting Accounting Standard for Employees' Severance and Pension Benefits," issued by the Business Accounting Deliberation Council on June 16,1998.

Under the new accounting standard, the liabilities and expenses for severance and retirement benefits are determined based on the amounts actuarially calculated using certain assumptions.

The Company and its consolidated subsidiaries provided for employees' severance and retirement benefits at the day of adoption based on the estimated amounts of projected benefit obligation and the fair value of the plan assets.

The net transition obligation at the adoption of the new accounting standard amounting to ¥495 million ($3,715 thousand), which mainly consisted of the actuarial losses for the prior year, was fully expensed for the year ended of March 31, 2001.

As a result of adopting the new accounting standard, in the year ended March 31, 2001,severance and retirement benefit expenses decreased by ¥101 million ($758 thousand), operating income increased by the same amount and income before income taxes decreased by ¥394 million ($2,957 thousand) compared with what would have been recorded under the previous accounting standard.

Directors and statutory auditors are not covered by these plans. However, the liability for retirement benefits represents management's estimate of the amounts payable to them at the balance sheet date if they retired at that date. Amounts payable to directors and statutory auditors upon retirement are subject to the approval of stockholders.

Reserve for loss on sale-repurchase agreement of land — Reserve for loss on sale-repurchase of land reflects an estimate of possible losses based on an exercise of a sale-repurchase agreement that the Company sold land to the Organization for Promoting Urban Development.

Translation of foreign currencies — Short-term receivables and payables denominated in foreign currencies are translated into Japanese yen at the year-end rates. Prior to April 1, 2000, long-term receivables and payables denominated in foreign currencies were translated at historical rates.

Effective April 1, 2000, the Company and its consolidated subsidiaries adopted the revised accounting standard for foreign currency translation, "Opinion Concerning Revision of Accounting Standard for Foreign Currency Translation," issued by the Business Accounting Deliberation Council on October 22, 1999. Under the revised accounting standard, long-term receivables and payables denominated in foreign currencies are also translated into Japanese yen at the year-end rate.

As a result of adopting the revised accounting standard, operating income decreased by ¥1,505 million ($11,295 thousand) and income before income taxes decreased by ¥574 million ($4,308 thousand).

Balance sheets of consolidated overseas subsidiaries are translated into Japanese yen at the year-end rates except for stockholders' equity accounts, which are translated at the historical rates. Income statements of consolidated overseas subsidiaries are translated at average rates except for transactions with the Company, which are translated at the rates used by the Company.

Due to the adoption of the revised accounting standard, the Company and its domestic subsidiaries report foreign currency translation adjustments in the stockholders' equity.

Finance leases — Finance leases which do not transfer ownership and do not have bargain purchase provisions are accounted for in the same manner as operating leases in accordance with generally accepted accounting principles in Japan.

Derivatives and hedge accounting — The new accounting standard for financial instruments, effective April 1, 2000, requires the Company to state derivative financial instruments at fair value and to recognize changes in the fair value as gains or losses unless derivative financial instruments are used for hedging purposes.

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Company defers recognition of gains or losses resulting from changes in fair value of derivative financial instruments until the related losses or gains on the hedged items are recognized.

Also, if interest rate swap agreements are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap agreement is added to or deducted from the interest on the assets or liabilities for which the swap agreement was executed.

The following summarizes hedging derivative financial instruments used by the Company and items hedged:

Hedging instruments:
- Interest rate swap agreements
- Commodity futures contracts
- Foreign exchange forward contracts

Hedged items:
- Interest expense on borrowings
- Inventories and commitments
- Equity investment in subsidiary

The Company evaluates hedge effectiveness by comparing the cumulative changes in cash flows or the changes in fair value of hedged items and the corresponding changes in the hedging derivative instruments.

Reclassification — Certain reclassification have been made to prior-year amounts to conform to the current-year presentation.

Amounts per share — Computations of net income per share of common stock are based on the weighted average number of shares outstanding during each period. The Commercial Code of Japan requires that the declaration of dividends be approved at the general meeting of stockholders held after the end of the fiscal year. Therefore, cash dividends per share shown in the consolidated statements of income reflect the dividends approved after the end of the fiscal year.

3. Securities

(A) The following tables summarize acquisition costs and book values (fair values) of securities with available fair values as of March 31, 2002:

Available-for-sale securities

Securities with book values exceeding acquisition costs

	Millions of yen			Thousands of U.S. dollars		
	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference
Equity securities	¥ 1,373	¥ 1,847	¥ 474	$ 10,304	$ 13,861	$ 3,557
Bonds						
Government bonds	2,969	3,397	428	22,281	25,493	3,212
Corporate bonds	1,555	1,809	254	11,670	13,576	1,906
Other	254	254	—	1,906	1,906	—
Total	**¥ 6,151**	**¥ 7,307**	**¥ 1,156**	**$ 46,161**	**$ 54,836**	**$ 8,675**

Other securities

	Millions of yen			Thousands of U.S. dollars		
	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference
Equity securities	¥ 3,926	¥ 3,185	¥ (741)	$ 29,463	$ 23,902	$ (5,561)
Total	**¥ 3,926**	**¥ 3,185**	**¥ (741)**	**$ 29,463**	**$ 23,902**	**$ (5,561)**

(B) The following tables summarize book values of securities whose fair values are not determinable as of March 31, 2002:

(a) Equity securities issued by unconsolidated subsidiaries and affiliated

	Millions of yen	Thousands of U.S. dollars
	Book value	Book value
Equity securities issued by unconsolidated subsidiaries and affiliated	¥ 1,437	$ 10,784
Total	**¥ 1,437**	**$ 10,784**

(b) Available-for-sale securities

	Millions of yen	Thousands of U.S. dollars
	Book value	Book value
Unlisted stocks (excluding over-the-counter securities)	¥ 1,040	$ 7,805
Other	1,344	10,086
Total	**¥ 2,384**	**$ 17,891**

(C) Available-for-sale securities with maturities as of March 31, 2002 will mature as follows:

	Millions of yen			Thousands of U.S. dollars		
	Within one year	Over one year but within five years	Over five years but within ten years	Within one year	Over one year but within five years	Over five years but within ten years
Government bonds	¥ 453	¥ 1,812	¥ 1,132	$ 3,400	$ 13,599	$ 8,495
Corporate bonds	1,707	102	—	12,810	765	—
Other	254	1,343	—	1,906	10,079	—
Total	**¥ 2,414**	**¥ 3,257**	**¥ 1,132**	**$ 18,116**	**$ 24,443**	**$ 8,495**

(D) Total sales of available-for-sale securities in the year ended March 31, 2002 amounted to ¥51 million ($383 thousand) and the net losses amounted to ¥11 million ($83 thousand).

(A) The following table summarizes book values of securities whose fair values are not determinable as of March 31, 2001:

Available-for-sale securities

	Millions of yen	Thousands of U.S. dollars
	Book value	Book value
Unlisted stocks (excluding over-the-counter securities)	¥ 1,046	$ 7,850
Other	16	120
Total	¥ 1,062	$ 7,970

(B) Available-for-sale securities with maturities as of March 31, 2001 will mature as follows:

	Millions of yen			Thousands of U.S. dollars		
	Within one year	Over one year but within five years	Over five years but within ten years	Within one year	Over one year but within five years	Over five years but within ten years
Government bonds	¥ 1,607	¥ 1,959	¥ 1,714	$ 12,060	$ 14,702	$ 12,863
Corporate bonds	4,713	1,667	595	35,370	12,510	4,465
Other	338	—	—	2,536	—	—
Total	¥ 6,658	¥ 3,626	¥ 2,309	$ 49,966	$ 27,212	$ 17,328

(C) Total sales of available-for-sale securities in the year ended March 31, 2001 amounted to ¥6,906 million ($51,827 thousand) and the net losses amounted to ¥416 million ($3,122 thousand).

4. Derivatives

The Company enters into foreign exchange forward contracts, in its normal business, to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies. The Company enters into foreign exchange forward contracts, foreign currency swap agreements and interest rate swap agreements as hedges against bonds and loans denominated in foreign currencies. And the Company enters into commodity futures contracts as a means of hedging risks associated with certain inventories and commitments.

It is the Company's policy to use derivatives only for the purpose of reducing market risks associated with assets and liabilities.

Derivatives are subject to market risk and credit risk. Since the purpose of using derivatives is to reduce market risks associated with assets and liabilities, market risks of the derivatives are effectively offset. And, as the counterparties to those derivatives are limited to major financial institutions, the Company does not anticipate any losses arising from credit risk.

Derivatives entered into by the Company have been made in accordance with internal policies which regulate the authorization and credit limit amount. Each derivative transaction is periodically reported to the management, where evaluation and analysis of derivatives are made.

The contracts or notional amounts of derivatives which are shown in the following table do not represent the amounts exchanged by the parties and do not measure the Company's exposure to credit or market risks.

The following tables summarize market value information as of March 31, 2002 and 2001, of derivatives for which hedge accounting has not been applied:

Year ended March 31, 2002

Currency related

	Millions of yen			Thousands of U.S. dollars		
	Contract or notional amount	Fair value	Net recognized gains (losses)	Contract or notional amount	Fair value	Net recognized gains (losses)
Foreign exchange forward contracts:						
Selling						
U.S. dollars	**¥ 880**	**¥ 890**	**¥ (10)**	**$ 6,604**	**$ 6,679**	**$ (75)**
Other currencies	**42**	**42**	**—**	**315**	**315**	**—**
Buying						
U.S. dollars	**24,372**	**26,390**	**2,018**	**182,904**	**198,048**	**15,144**
Other currencies	**1,326**	**1,341**	**15**	**9,951**	**10,064**	**113**
Currency swap agreements:						
Japanese yen received for U.S. dollars	**16,888**	**(1,954)**	**(1,954)**	**126,739**	**(14,664)**	**(14,664)**
Total			**¥ 69**			**$ 518**

Commodity related

	Millions of yen			Thousands of U.S. dollars		
	Contract or notional amount	Fair value	Net recognized gains (losses)	Contract or notional amount	Fair value	Net recognized gains (losses)
Futures:						
Petroleum						
Selling	**¥ 785**	**¥ 817**	**¥ (32)**	**$ 5,891**	**$ 6,131**	**$ (240)**
Buying	**1,224**	**1,346**	**122**	**9,186**	**10,101**	**915**
Total			**¥ 90**			**$ 675**

Year ended March 31, 2001

Currency related

	Millions of yen			Thousands of U.S. dollars		
	Contract or notional amount	Fair value	Net recognized gains (losses)	Contract or notional amount	Fair value	Net recognized gains (losses)
Foreign exchange forward contracts:						
Selling						
U.S. dollars	¥ 19,855	¥ 22,286	¥ (2,431)	$ 149,006	$ 167,249	$ (18,243)
Other currencies	12	12	—	90	90	—
Buying						
U.S. dollars	43,516	47,527	4,011	326,574	356,675	30,101
Other currencies	2,804	2,862	58	21,043	21,478	435
Currency swap agreements:						
Japanese yen received for U.S. dollars	14,162	(2,267)	(2,267)	106,281	(17,013)	(17,013)
Total			¥ (629)			$ (4,720)

Commodity related

	Millions of yen			Thousands of U.S. dollars		
	Contract or notional amount	Fair value	Net recognized gains (losses)	Contract or notional amount	Fair value	Net recognized gains (losses)
Futures:						
Petroleum						
Selling	¥ 966	¥ 977	¥ (11)	$ 7,249	$ 7,332	$ (83)
Buying	1,002	1,112	110	7,519	8,345	826
Total			¥ 99			$ 743

5. Pledged assets

At March 31, 2002 and 2001, assets pledged as collateral for long-term bank loans of ¥25,000 million ($187,617 thousand) in both 2002 and 2001, and guarantees were as follows:

	Millions of yen		Thousands of U.S. dollars	
	2002	2001	**2002**	2001
Other current assets	¥ **10**	10	$ **75**	75
Investment securities	**1,702**	1,356	**12,773**	10,176
Property and equipment, net of accumulated depreciation	**25,238**	11,097	**189,403**	83,280
Total	¥ **26,950**	¥ 12,463	$ **202,251**	$ 93,531

6. Bank loans and long-term debt

Bank loans at March 31, 2002 and 2001, were represented principally by short-term notes bearing interest at rates from 0.63% to 1.63% and from 0.72% to 6.33%, respectively.

Long-term debt at March 31, 2002 and 2001, consisted of the following:

	Millions of yen		Thousands of U.S. dollars	
	2002	2001	**2002**	2001
Loans from banks, at March 31, 2002 and 2001, bearing interest at rates from 0.76% to 1.76% and from 0.73% to 1.76%, respectively, maturing serially through 2007	¥ **36,315**	¥ 39,084	$ **272,533**	$ 293,313
	36,315	39,084	**272,533**	293,313
Less amounts due within one year	**1,336**	4,769	**10,026**	35,790
	¥ **34,979**	¥ 34,315	$ **262,507**	$ 257,523

The annual maturities of long-term debt outstanding at March 31, 2002, were as follows:

Years ending March 31,	Millions of yen	Thousands of U.S. dollars
2003	¥ 1,336	$ 10,026
2004	28,979	217,479
2005	1,000	7,505
2006	2,000	15,009
2007	3,000	22,514
Total	¥ 36,315	$ 272,533

7. Employees' retirement benefits

As explained in Note 2. Significant accounting policies, effective April 1, 2000, the Company and its consolidated subsidiaries adopted the new accounting standard for employees' severance and retirement benefits, under which the liabilities and expenses for severance and retirement benefits are determined based on the amounts obtained by actuarial calculations.

The liabilities for severance and retirement benefits included in the liability section of the consolidated balance sheets as of March 31, 2002 and 2001, consists of the following:

	Millions of yen		Thousands of U.S. dollars	
	2002	2001	**2002**	2001
Projected benefit obligation	**¥ 18,534**	¥ 16,874	**$ 139,092**	$ 126,634
Less fair value of pension assets	**(12,470)**	(13,087)	**(93,584)**	(98,214)
Unrecognized actuarial differences	**(6,056)**	(3,387)	**(45,448)**	(25,418)
Unrecognized prior service cost	**840**	—	**6,304**	—
Prepaid pension cost	**374**	359	**2,807**	2,694
Liability for severance and retirement benefits	**¥ 1,222**	¥ 759	**$ 9,171**	$ 5,696

Included in the consolidated statements of income for the years ended March 31, 2002 and 2001, are severance and retirement benefit expenses comprised of the following:

	Millions of yen		Thousands of U.S. dollars	
	2002	2001	**2002**	2001
Service costs -benefits earned during the year	**¥ 738**	¥ 721	**$ 5,539**	$ 5,411
Interest cost on projected benefit obligation	**504**	449	**3,782**	3,370
Expected return on plan assets	**(457)**	(651)	**(3,430)**	(4,886)
Amortization of actuarial difference	**242**	—	**1,816**	—
Net transition obligation of retirement plans	**—**	495	**—**	3,715
Premium retirement benefit	**263**	176	**1,974**	1,321
Severance and retirement benefit expenses	**¥ 1,290**	¥ 1,190	**$ 9,681**	$ 8,931

Prior service cost and actuarial difference are amortized or recognized over stated years that do not exceed the average remaining service period of active employees expected to receive benefits under the plan.

Assumptions used for the years ended March 31, 2002 and 2001, are as follows:

	2002	2001
Discount rate	**2.5%**	3.0%
Expected rate of return on plan assets	**3.5%**	4.5%
Amortization period of prior service costs	**14 years**	—
Amortization period of actuarial differences	**14 years**	14 years

8. Income taxes

The Company is subject to a number of taxes based on income, which, in the aggregate, indicate statutory rates in Japan of approximately 42.1% for the years ended March 31, 2002 and 2001.

The following table summarizes the significant differences between the statutory tax rate and the Company's effective tax rates for financial statement purposes for the years ended March 31, 2002 and 2001:

	2002	2001
Statutory tax rate	**42.1%**	42.1%
Tax effect of permanent differences	**12.0**	7.9
Valuation allowance recognized for deferred tax assets	**(164.0)**	(26.7)
Effect of taxation on dividends	**25.8**	—
Tax effect of unrealized intercompany profit	**(0.6)**	(4.3)
Difference of tax rates for consolidated subsidiaries	**(2.7)**	(2.7)
Other	**2.9**	0.2
Effective tax rate	**(84.5)%**	16.5%

Significant components of the Company's and its consolidated subsidiaries' deferred tax assets and liabilities as of March 31, 2002 and 2001 are as follows:

	Millions of yen		Thousands of U.S. dollars	
	2002	2001	**2002**	2001
Deferred tax assets:				
Net operating loss carryforwards	**¥ 44,407**	¥ 47,357	**$ 333,261**	$ 355,400
Temporary differences pertaining with a consolidated subsidiary	**24,315**	—	**182,476**	—
Loss on loans receivable	**4,227**	4,228	**31,722**	31,730
Temporary differences pertaining to investments in consolidated companies	**1,185**	25,469	**8,893**	191,137
Loss on write-down of golf club memberships	**—**	451	**—**	3,384
Other	**4,069**	1,309	**30,537**	9,824
Total deferred tax assets	**78,203**	78,814	**586,889**	591,475
Valuation allowance	**(75,972)**	(78,761)	**(570,146)**	(591,077)
Net deferred tax assets	**2,231**	53	**16,743**	398
Deferred tax liabilities	**165**	42	**1,238**	315
Net deferred tax assets	**¥ 2,066**	¥ 11	**$ 15,505**	$ 83

9. Stockholders' equity

Under the Commercial Code of Japan, the entire amount of the issue price of shares is required to be accounted for as capital, although a company may, by resolution of its board of directors, account for an amount not exceeding one-half of the issue price of the new shares as additional paid-in capital.

Effective October 1, 2001, the Japanese Commercial Code provides that an amount equal to at least 10% of cash dividends and other cash appropriations shall be appropriated and set aside as a legal reserve until the total amount of legal reserve and additional paid-in capital equals 25% of common stock. The legal reserve and additional paid-in capital may be used to eliminate or reduce a deficit by resolution of the stockholders' meeting or may be capitalized by resolution of the Board of Directors. On condition that the total amount of legal reserve and additional paid-in capital remains being equal to or exceeding 25% of common stock, they are available for dividends by the resolution of stockholders' meeting.

The maximum amount that the Company can distribute as dividends is calculated based on the unconsolidated financial statements of the Company in accordance with the Commercial Code of Japan.

Common stock — The Company reduced its capital by ¥36,995 million ($277,636 thousand) to cover the undisposed deficit.

The capital reduction was approved at the ordinary general meeting of stockholders of the Company held on June 28, 2001.

Additional paid-in capital — The Company used its additional paid-in capital of ¥19,227 million ($144,292 thousand) to reduce the undisdosed deficit.

The use of additional paid-in capital was approved at the ordinary general meeting of stockholders of the Company held on June 28, 2001.

Land revaluation difference — Pursuant to the Law Concerning Land Revaluation, the Company revaluated land used for business activities at March 31, 2002.

Unrealized loss on land revaluation is recorded as Land revaluation difference in stockholders' equity of the accompanying consolidated balance sheets.

The revaluation of the land was determined based on a declared land value in accordance with Article 2, Paragraph 1, of the Enforcement Ordinance Concerning Land Revaluation, and the appraisal value made by certified real estate appraisers in accordance with Article 2, Paragraph 5 of the same Ordinance with certain necessary adjustments.

The book value of land revalued on March 31, 2002 was as follows:

	Millions of yen	Thousands of U.S. dollars
Book value before revaluation	¥ 27,993	$ 210,079
Carrying amount after revaluation	27,575	206,942

10. Leases

Finance leases

As lessee

Total lease payments ,including financing charges, under finance leases that do not transfer ownership of the leased property to the Company and its consolidated subsidiaries for the years ended March 31, 2002 and 2001, were ¥455 million ($3,415 thousand) and ¥630 million ($4,728 thousand), respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, obligations under finance leases, depreciation expense and interest expense of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis as of and for the year ended March 31, 2002 and 2001, were as follows:

As of March 31, 2002

	Millions of yen			Thousands of U.S. dollars		
	Acquisition cost	Accumulated depreciation	Net leased property	Acquisition cost	Accumulated depreciation	Net leased property
Other property and equipment	**¥ 2,217**	**¥ 986**	**¥ 1,231**	**$ 16,637**	**$ 7,399**	**$ 9,238**
Other investments	**95**	**55**	**40**	**713**	**413**	**300**
Total	**¥ 2,312**	**¥ 1,041**	**¥ 1,271**	**$ 17,350**	**$ 7,812**	**$ 9,538**

As of March 31, 2001

	Millions of yen			Thousands of U.S. dollars		
	Acquisition cost	Accumulated depreciation	Net leased property	Acquisition cost	Accumulated depreciation	Net leased property
Other property and equipment	¥ 2,767	¥ 1,653	¥ 1,114	$ 20,765	$ 12,405	$ 8,360
Other investments	103	61	42	773	458	315
Total	¥ 2,870	¥ 1,714	¥ 1,156	$ 21,538	$ 12,863	$ 8,675

Depreciation expense, which is not reflected in the accompanying statements of income, computed by the straight-line method was ¥413 million ($3,099 thousand) and ¥566 million ($4,248 thousand) for the years ended of March 31, 2002 and 2001, respectively.

Obligations, excluding financing charges, under such non-capitalized finance leases as of March 31, 2002 and 2001, were as follows:

	Millions of yen		Thousands of U.S. dollars	
	2002	2001	**2002**	2001
Due within one year	**¥ 406**	¥ 372	**$ 3,047**	$ 2,792
Due after one year	**912**	836	**6,844**	6,274
Total	**¥ 1,318**	¥ 1,208	**$ 9,891**	$ 9,066

As lessor

Lease payments, excluding financing charges, to be received under finance leases as of March 31, 2002 and 2001, were as follows:

	Millions of yen		Thousands of U.S. dollars	
	2002	2001	**2002**	2001
Due within one year	**¥ 3**	¥ 14	**$ 22**	$ 105
Due after one year	**7**	42	**53**	315
Total	**¥ 10**	¥ 56	**$ 75**	$ 420

Operating leases

As Lessee

Obligations under operating leases as of March 31, 2002 and 2001, were as follows:

	Millions of yen		Thousands of U.S. dollars	
	2002	2001	**2002**	2001
Due within one year	**¥ 40**	¥ 36	**$ 300**	$ 270
Due after one year	**104**	117	**781**	878
Total	**¥ 144**	¥ 153	**$ 1,081**	$ 1,148

11. Segment information

Industry segment information

The Company's and its consolidated subsidiaries' operations are classified into five industry segments as follows:

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

Non-ferrous metals: Nickel, copper, aluminium, lead, zinc, tin, antimony, and other alloys

Foods: Frozen seafoods and meat products

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

Other business: Machinery, lumber, and other.

Segment information by business category for the years ended March 31, 2002 and 2001, is as follows:

Year ended March 31, 2002

	Millions of yen							
	Steel	Non-ferrous metals	Foods	Petroleum and chemicals	Other business	Total	Corporate	Consolidated
Net sales	**¥ 338,591**	**¥ 54,247**	**¥ 86,171**	**¥ 106,528**	**¥ 40,077**	**¥ 625,614**	**¥ —**	**¥ 625,614**
Costs and expenses	**333,363**	**52,985**	**84,694**	**106,065**	**38,093**	**615,200**	**3,897**	**619,097**
Operating income	**¥ 5,228**	**¥ 1,262**	**¥ 1,477**	**¥ 463**	**¥ 1,984**	**¥ 10,414**	**¥ (3,897)**	**¥ 6,517**
Assets	**¥ 141,775**	**¥ 16,339**	**¥ 28,283**	**¥ 16,537**	**¥ 11,314**	**¥ 214,248**	**¥ 70,267**	**¥ 284,515**
Depreciation	**1,281**	**88**	**52**	**22**	**355**	**1,798**	**79**	**1,877**
Capital expenditure	**468**	**26**	**25**	**13**	**144**	**676**	**34**	**710**

Year ended March 31, 2002

	Thousands of U.S. dollars							
	Steel	Non-ferrous metals	Foods	Petroleum and chemicals	Other business	Total	Corporate	Consolidated
Net sales	**$ 2,541,020**	**$ 407,107**	**$ 646,687**	**$ 799,460**	**$ 300,765**	**$ 4,695,039**	**$ —**	**$ 4,695,039**
Costs and expenses	**2,501,786**	**397,636**	**635,602**	**795,985**	**285,876**	**4,616,885**	**29,246**	**4,646,131**
Operating income	**$ 39,234**	**$ 9,471**	**$ 11,085**	**$ 3,475**	**$ 14,889**	**$ 78,154**	**$ (29,246)**	**$ 48,908**
Assets	**$ 1,063,978**	**$ 122,619**	**$ 212,255**	**$ 124,105**	**$ 84,908**	**$ 1,607,865**	**$ 527,332**	**$ 2,135,197**
Depreciation	**9,614**	**660**	**390**	**165**	**2,664**	**13,493**	**593**	**14,086**
Capital expenditure	**3,512**	**195**	**188**	**97**	**1,081**	**5,073**	**255**	**5,328**

Corporate costs and expenses mainly consist of expenses of administrative departments.

Corporate assets mainly consist of cash and equivalents, investment securities and assets of administrative departments.

As explained in Note 2, as of March 31, 2002, the Company and its consolidated subsidiaries adopted the new accounting standard for financial instruments with respect to available-for-sale securities.

As a result of adopting the new accounting standard, Corporate assets decreased by ¥808 million ($6,063 thousand).

Year ended March 31, 2001

	Millions of yen							
	Steel	Non-ferrous metals	Foods	Petroleum and chemicals	Other business	Total	Corporate	Consolidated
Net sales	¥ 372,443	¥ 63,235	¥ 100,019	¥ 109,009	¥ 44,400	¥ 689,106	¥ —	¥ 689,106
Costs and expenses	366,300	61,413	97,796	107,827	41,436	674,772	4,051	678,823
Operating income	¥ 6,143	¥ 1,822	¥ 2,223	¥ 1,182	¥ 2,964	¥ 14,334	¥ (4,051)	¥ 10,283
Assets	¥ 141,239	¥ 14,891	¥ 28,986	¥ 18,985	¥ 17,585	¥ 221,686	¥ 66,489	¥ 288,175
Depreciation	1,087	75	39	22	242	1,465	82	1,547
Capital expenditure	569	40	74	24	263	970	108	1,078

Year ended March 31, 2001

	Thousands of U.S. dollars							
	Steel	Non-ferrous metals	Foods	Petroleum and chemicals	Other business	Total	Corporate	Consolidated
Net sales	$ 2,795,069	$ 474,559	$ 750,612	$ 818,079	$ 333,208	$ 5,171,527	$ —	$ 5,171,527
Costs and expenses	2,748,968	460,886	733,929	809,208	310,964	5,063,955	30,401	5,094,356
Operating income	$ 46,101	$ 13,673	$ 16,683	$ 8,871	$ 22,244	$ 107,572	$ (30,401)	$ 77,171
Assets	$ 1,059,955	$ 111,752	$ 217,531	$ 142,477	$ 131,970	$ 1,663,685	$ 498,979	$ 2,162,664
Depreciation	8,158	563	293	165	1,816	10,995	615	11,610
Capital expenditure	4,270	300	555	180	1,974	7,279	811	8,090

Corporate costs and expenses mainly consist of expenses of administrative departments.

Corporate assets mainly consist of marketable securities, investment securities and assets of administrative departments.

As explained in Note 2, effective April 1, 2000, the Company and its consolidated subsidiaries adopted the new accounting standards for employees' retirement benefits. As a result of adopting the new accounting standard, operating income increased by ¥58 million ($435 thousand) in Steel, ¥6 million ($45 thousand) in Non-ferrous metals, ¥8 million ($60 thousand) in Foods, ¥5 million ($38 thousand) in Petroleum and chemicals, ¥7 million ($53 thousand) in Other business and ¥17 million ($128 thousand) in Corporate. Corporate assets increased by ¥359 million ($2,694 thousand).

As explained in Note 2, effective April 1, 2000, the Company and its consolidated subsidiaries adopted the new accounting standard for financial instruments. As a result of adopting the new accounting standard, operating income increased by ¥12 million ($90 thousand) in Steel, ¥1 million ($8 thousand) in Non-ferrous metals, ¥1,859 million ($13,951 thousand) in Foods, ¥103 million ($773 thousand) in Petroleum and chemicals and ¥39 million ($293 thousand) in Other business. Assets increased by ¥13 million ($98 thousand) in Steel, ¥41 million ($308 thousand) in Non-ferrous metals, ¥1,859 million ($13,951 thousand) in Foods, ¥103 million ($773 thousand) in Petroleum and chemicals and ¥39 million ($293 thousand) in Other business and decreased by ¥649 million ($4,871 thousand) in Corporate.

As explained in Note 2, effective April 1, 2000, the Company and its consolidated subsidiaries adopted the revised accounting standard for foreign currency translation. As a result of adopting the revised accounting standard, operating income decreased by ¥9 million ($68 thousand) in Steel, ¥1,495 million ($11,220 thousand) in Foods, ¥2 million ($15 thousand) in Other business. Corporate assets increased by ¥969 million ($7,272 thousand).

Overseas net sales

Overseas net sales include exports and offshore sales by the Company and its consolidated subsidiaries, excluding sales by foreign subsidiaries to Japan.

Overseas net sales of the Company and its consolidated subsidiaries for the years ended March 31, 2002 and 2001, were as follows:

Year ended March 31, 2002

	Millions of yen			Thousands of U.S. dollars		
	Asia	Other areas	Total	Asia	Other areas	Total
Overseas net sales	**¥ 71,093**	**¥ 10,411**	**¥ 81,504**	**$ 533,531**	**$ 78,131**	**$ 611,662**
Percentage of consolidated net sales	**11.3%**	**1.7%**	**13.0%**			

"Asia" consists principally of sales to China, South Korea, Thailand and Singapore.
"Other areas" consist principally of sales to U.S.A. and Saudi Arabia.

Year ended March 31, 2001

	Millions of yen			Thousands of U.S. dollars		
	Asia	Other areas	Total	Asia	Other areas	Total
Overseas net sales	¥ 77,729	¥ 10,786	¥ 88,515	$ 583,332	$ 80,946	$ 664,278
Percentage of consolidated net sales	11.3%	1.5%	12.8%			

"Asia" consists principally of sales to China, South Korea and Thailand.
"Other areas" consist principally of sales to U.S.A. and Saudi Arabia.

12. Contingent liabilities

At March 31, 2002 and 2001, the Company and its consolidated subsidiaries were contingently liable as follows:

	Millions of yen		Thousands of U.S. dollars	
	2002	2001	**2002**	2001
As endorsers of export letters of credit and notes discounted	**¥ 4,982**	¥ 4,498	**$ 37,388**	$ 33,756
As guarantors of indebtedness	**1,679**	1,295	**12,600**	9,719

13. Subsequent events

At the ordinary general meeting of stockholders of the Company held on June 27, 2002, the following appropriation of retained earnings was approved:

	Millions of yen	Thousands of U.S. dollars
Cash dividends	¥ 1,058	$ 7,940
Transfer to legal reserve	¥ 106	$ 795

Report of Independent Public Accountants

To the Stockholders and the Board of Directors of
Hanwa Co., Ltd.:

We have audited the accompanying consolidated balance sheets of Hanwa Co., Ltd. (a Japanese corporation) and subsidiaries as of March 31, 2002 and 2001, and the related consolidated statements of income, stockholders' equity and cash flows for the years then ended, expressed in Japanese yen. Our audits were made in accordance with generally accepted auditing standards in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the consolidated financial position of Hanwa Co., Ltd. and subsidiaries as of March 31, 2002 and 2001, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan (Note 1) applied on a consistent basis during the periods, except for the new accounting policies in the following paragraph.

As explained in Note 2, in the year ended March 31, 2001, Hanwa Co., Ltd., and subsidiaries prospectively adopted new Japanese accounting standards for retirement benefits, financial instruments and foreign currency translation.

Also, in our opinion, the U.S. dollar amounts in the accompanying consolidated financial statements have been translated from Japanese yen on the basis set forth in Note 1.

Asahi & Co.

Osaka, Japan
June 27, 2002

Network of Hanwa Co., Ltd.

Domestic Offices

OFFICE	ADDRESS	TELEPHONE	FACSIMILE
Osaka	Hanwa Bldg., 4-3-9 Fushimi-machi, Chuo-ku, Osaka 541-8585, Japan	06-6206-3270	06-6206-3371
Tokyo	1-13-10 Tsukiji, Chuo-ku, Tokyo 104-8429, Japan	03-3544-2171	03-3544-2351
Nagoya	Chunichi Bldg., 4-1-1 Sakae, Naka-ku, Nagoya 460-8441, Japan	052-262-2371	052-262-8819
Tohoku	Sendai Daiichi Seimei Tower Bldg., 4-6-1 Ichiban-cho, Aoba-ku, Sendai 980-0811, Japan	022-227-7981	022-227-7969
Kyushu	Nihon Seimei Hakataekimae 2nd Bldg., 4-1-1, Hakataekimae, Hakata-ku, Fukuoka 812-0011, Japan	092-471-7121	092-471-7060

Overseas Offices

OFFICE	ADDRESS	TELEPHONE	FACSIMILE
New York	Parker Plaza, 6th Floor, 400 Kelby Street, Fort Lee, New Jersey 07024, U.S.A.	1-201-363-4500	1-201-346-9890
Seattle	900 4th Avenue, Suite 1640, Seattle, Washington 98164, U.S.A.	1-206-622-2102	1-206-622-6464
Houston	Suite 515, 9800 Richmond Avenue, Houston, Texas 77042, U.S.A.	1-713-978-7904	1-713-978-7790
Los Angeles	18300 Vonkarman Avenue, Suite 405, Irvine, California 92612, U.S.A.	1-949-955-2780/2781	1-949-955-2785
Vancouver	Suite 502, 1001 West Broadway Vancouver, British Columbia, V6H 4B1, Canada	1-604-876-1175	1-604-876-1085
Bogota	Carrera 9A No. 99-02, Oficina 804, Edificio CITIBANK Bogota, D.E. Colombia	57-1-618-2059	57-1-618-2059
Seoul	Room 2501-1, Korea World Trade Center Bldg., 159-1, Samsung-Dong, Kangnam-ku, Seoul, 135-729, R.O.Korea	82-2-551-5387	82-2-551-5575
Beijing	Room 801, Beijing Fortune Building, 5 Dong San Huan Bei-lu, Chaoyang District, Beijing 100004, P.R.China	86-10-6590-8331~33	86-10-6590-8340
Qingdao	Crowne Plaza Qingdao, Room No.601, Hongkong Middle Road 76, Qingdao City, Shangdon Province 266071, P.R.China	86-532-577-9990	86-532-577-9630
Dalian	Senmao Bldg., 13F, 147 Zhongshan Street, Dalian, Liaoning Province 116011, P.R.China	86-411-368-6954	86-411-368-6934
Shanghai	Room 905/906, Aetna Tower,No.107 Zhunyi Road, Shanghai 200335, P.R.China	86-21-6237-5260/5265~7	86-21-6237-5268/5269
Chongqing	Room 2203, Metropolitan Tower, 68 Zhon Rong Lu, Central District, Chongqing 400010 P.R.China	86-23-6381-1101	86-23-6381-7385
Fuzhou	Room 2501, Lippo Tianma Plaza, No.1 Wu Yi Road, Fuzhou City, Fujian Province, P.R. China	86-591-3354165	86-591-3345202
Guangzhou	Unit 3006-3007,30th Floor, Dong Shan Plaza, 69 Xian Lie Zhong Road, Guangzhou City, Guangdong Province 510095, P.R. China	86-20-8384-3885	86-20-8384-8875
Dongguan	Longxi Industrial Zone, Zhouxi Management Area, Huangcun District, Dongguan, Guangdong Province 511715 P.R.China	86-769-240-6428	86-769-240-6448
Zhongshan	Unit 1909-1910, 19th Floor, Bank Of China Tower, 18 Zhongshan 3rd Road, Zhongshan, Guangdong Province P.R.China	86-760-332-0706	86-760-332-0696
Hong Kong	Unit 3201-3 32nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong	852-25450110	852-25422544
Taipei	Room 303 3rd Floor. No. 79, Chung Shan North Road Sec.2, Taipei, Taiwan, R.O.C.	886-2-2560-2214~17	886-2-2571-0693
Kaohsiung	Room B, 17th Floor, No.7 Su-Wei 4th Road, Kaohsiung, Taiwan, R.O.C.	886-7-338-5508~10	886-7-338-5433
Bangkok	17th Floor, Vorawat Bldg., 849 Silom Road, Bangrak, Bangkok, 10500 Thailand	66-2-635-1230	66-2-635-1220/1221
Kuala Lumpur	Suite 8-12B-3, Level 14 (12B), Menara Olympia 8, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia	60-3-2078-2311	60-3-2078-2380
Singapore	20 Cecil Street, #11-02 SINGAPORE EXCHANGE, Singapore, 049705	65-536-7822	65-536-7855
Tawau	P.O. Box 1231 91037 Tawau, Sabah, Malaysia	60-89-750016~7	60-89-750019
Jakarta	Menara Cakrawala 5th Floor Jalan M.H. Thamrin 9, Jakarta, 10340 Indonesia	62-21-3902293	62-21-3902294
Mumbai	c/o M.D. Jagat A/5 Kamdar Building, Gokhale Road South, Dadar, Mumbai 400 028, India	91-22-4305083	91-22-4308531
Tehran	6th Floor, Building, No.10 8th Street, Mirzaye-Shirazi Avenue, Tehran 15967, Iran	98-21-890-3537	98-21-890-4723
Kuwait	c/o Al-Sabih Engineering & Trading Co. P.O. Box No. 1366, Safat 13014, Kuwait Room 24, 6th Floor, Danat Trading Center, Abdullah Al-Ahmad Street, Sharq, Kuwait	965-243-7259	965-243-7263
Riyadh	P.O. Box 68974, Riyadh 11537, Saudi Arabia	966-1-478-3022	966-1-479-2459
Jeddah	c/o Office No. 219, Kaki Center P.O. Box 1224, Jeddah 21431, Saudi Arabia	966-2-661-0796	966-2-661-0796
Las Palmas	C/Luis Morote, NO.6-3F , Edf. Catalunia 35007-Las Palmas De Gran Canaria, Spain	34-928-270894	34-928-275735
London	5th Floor, Finland House, 56 Haymarket, London, SW1Y 4RN. U.K.	44-20-7839-4448	44-20-7839-3994

Directors and Statutory Auditors

President and C.E.O.
Shuji Kita 北 修爾

Senior Managing Director
Mitsuyuki Nakabayashi 中林 満之

Managing Directors
Takayuki Kamoto 嘉本 隆行
Takashi Kyui 休井 匡
Shosaburo Bando 坂東祥三郎
Kunio Matsuda 松田 邦雄
Noriyuki Hanafusa 花房 伯行

Directors
Minoru Masuda 増田 実
Kazuo Yokota 横田 和夫
Masaomi Amao 天尾 正臣
Tatsuyuki Yamasaki 山崎 達之
Hiroshi Omoto 大本 博
Hironari Furukawa 古川 弘成
Shinsuke Kitamura 北村 信輔
Satoru Hara 原 惺
Tetsuro Akimoto 秋元 哲郎
Yoshifumi Nishi 西 吉史
Takuji Kita 北 卓治

Statutory Auditors
Minoru Kifuku 喜福 稔
Kazushi Higashida 東田 和四
Takao Ikematsu 池松 孝雄
Hironari Masago 真砂 博成

Investor Information

(As of March 31, 2002)

Company Name
Hanwa Co., Ltd. 阪和興業株式会社
Hanwa Bldg., 4-3-9 Fushimi-machi,
Chuo-ku, Osaka 541-8585, Japan

Date of Establishment
April 1947

Stated Capital
¥45,651 million ($342,597 thousand)

Number of Shares of Common Stock Issued
211,663,200 shares

Number of Shareholders
26,810

Stock Exchange Listings
The First Section of the Tokyo Stock Exchange
The First Section of the Osaka Stock Exchange

Transfer Agent
The Sumitomo Trust and Banking Co., Ltd.

Auditor
Asahi & Co.

Number of Employees
844

HANWA CO., LTD.

http://www.hanwa.co.jp

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