



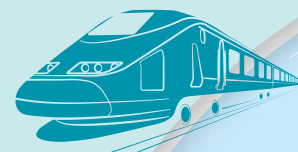
DOWA

DOWA HOLDINGS CO., LTD.

Annual Report 2015

For the year ended March 31, 2015

Through its business operations on the world stage, Dowa seeks to contribute to a high standard of living and the emergence of a resource-recycling society.



CONTENTS

- 1 The Dowa Resource Recycling Loop
- 2 Our Five Core Business Segments
- 4 Financial Highlights
- 6 Message from the Management

- 10 Special Feature: Medium-Term Plan

- 12 Business Review
 - 12 ■ Environmental Management & Recycling
 - 14 ■ Nonferrous Metals
 - 16 ■ Electronic Materials
 - 18 ■ Metal Processing
 - 20 ■ Heat Treatment

- 22 Corporate Governance
- 24 CSR Policy & Planning
- 25 Board of Directors and Officers

- 26 Financial Section
 - 26 Financial Review
 - 30 Consolidated 11-Year Summary
 - 32 Consolidated Balance Sheet
 - 34 Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
 - 35 Consolidated Statement of Changes in Equity
 - 37 Consolidated Statement of Cash Flows
 - 38 Notes to Consolidated Financial Statements
 - 65 Report of Independent Auditors

- 66 Subsidiaries and Affiliates
- 68 Global Network
- 69 Corporate History
- 70 Corporate Data



Cautionary note regarding forward-looking statements

Within this report, present plans, forecasts, strategies, beliefs, and other statements relating to the Company and the Group that are not historical facts are forward-looking statements about future performance. These forward-looking statements are based on assessments by the Company's management using information available at the time of writing, and many assumptions and opinions that form the basis for these statements derive from information that carries significant risk and uncertainty. Due to a variety of factors, actual performance may differ materially from the performance expressed or implied in these statements.

Actual performance may be influenced by such factors as economic conditions, particularly changes in consumer trends and exchange rates, changes in legal and administrative systems, pressure due to competitors' price and product strategies, a reduction in the salability of the Company's existing and new products, interruption of production, infringement of the Company's intellectual property rights, rapid technological innovation, and damaging court rulings in major lawsuits. However, factors that may influence performance are not only limited to those listed here.

In this report, fiscal 2014 represents the year ended March 31, 2015.

The Dowa Resource Recycling Loop

Environmental Management & Recycling Business



Waste treatment



Soil remediation



Resource recycling

Operations at the Dowa Group, established in 1884, are based on our unique resource recycling loop. The loop begins with our production of nonferrous metal materials and progresses through the manufacture of a variety of value-added products to recycling.

In our Nonferrous Metals business, we extract useful metals from a variety of recyclable raw materials in addition to natural resources. After being processed by our Electronic Materials, Metal Processing and Heat Treatment businesses, these metals are incorporated in our user end products, including automotive and electronic devices, after being given sophisticated functionality. In our Environmental Management & Recycling business, we make waste materials harmless and recover metals from products after they have been used. These recovered metals are then refined again for re-use.

In this manner, the Dowa Group will continue to develop its business activities, contributing to the building of a society based on the recycling of resources.

Nonferrous Metals Business



Gold metal

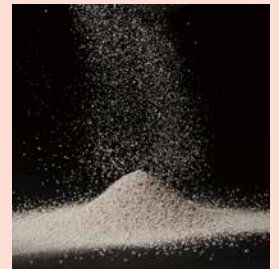


Zinc alloy

Electronic Materials Business



LED chips



Silver powder

Metal Processing Business



Rolled copper products



Metal-ceramic substrates

Heat Treatment Business



Industrial furnaces



Heat treatment



Heat treatment manufacturing plant

Our Five Core Business Segments

Environmental Management & Recycling Business

DOWA ECO-SYSTEM CO., LTD.

Waste treatment business: Integrated and comprehensive services from collection and transport of general and industrial waste through intermediate waste treatment to controlled landfilling.

Soil remediation business: Provision of total support services ranging from soil survey and remediation to monitoring.

Recycling business: Recovery of a variety of valuable metals from scrap generated during production processes, consumer electronics, automobiles, and other discarded products.

Nonferrous Metals Business

DOWA METALS & MINING CO., LTD.

Precious metals and copper business: One of the few smelting operations worldwide that can recover a wide variety of metals including gold, silver, and copper from recyclable raw materials.

Rare metals business: Recovery of platinum group metals from used exhaust gas catalyst material from automobiles.

Zinc business: Integrated business structure that covers every phase from the mining of raw ore to bullion production and sales of finished goods centered on Akita Zinc Co., Ltd., the largest zinc smelting plant in Japan, with an annual output of 200,000 tons.

Electronic Materials Business

DOWA ELECTRONICS MATERIALS CO., LTD.

Semiconductors business: Leading manufacturer of semiconductor materials such as high-purity gallium and indium, compound semiconductor wafers, and high-intensity, high-output LEDs.

Electronic materials business: Largest producer of silver powder for solar cells and manufacturer of copper powders for electronics parts and zinc powder and silver oxide for batteries.

Functional materials business: Dominant share in the world market for metal powders used in high-capacity data storage tape, and producer of a range of products from carrier powder for copying machines to ferrite powder used in printers and copiers.

Metal Processing Business

DOWA METALTECH CO., LTD.

Metal-processing business: Manufactures copper, brass, and copper alloy strips used in terminals and connectors for automobiles; brass rods; and forged brass products.

Plating business: Precious metal plating of connectors and switches for automobiles, mobile telephones and consumer electronics.

Substrates business: Manufactures metal-ceramic substrates employed in industrial machinery such as power management devices.

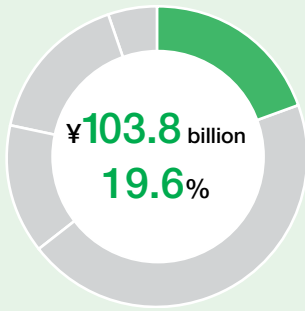
Heat Treatment Business

DOWA THERMOTECH CO., LTD.

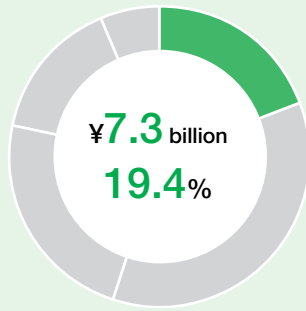
Industrial furnace business: Employs expertise in heat treatment to offer complete services ranging from facilities design to startup and maintenance.

Heat treatment processing business: Provides surface treatment for metal parts adapted for different applications and used in automobile engines and transmission parts to increase factors including abrasion resistance, fatigue resistance, and seizure resistance.

Net Sales and Composition Ratios
(Fiscal year ended March 31, 2015)



Operating Income and Composition Ratios
(Fiscal year ended March 31, 2015)

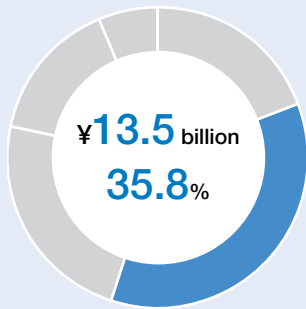
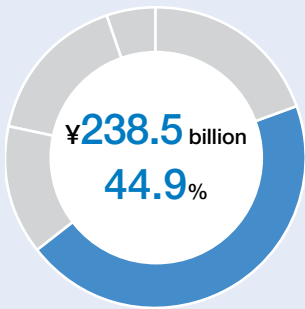


Segment Policy

Secure the top position in Asia in a bid to help improve the global environment as one of the leading environmental companies in the world

Dowa Eco-System Co., Ltd. is expanding operations in Japan and abroad by furnishing comprehensive and reliable waste management, soil remediation, and recycling services. As the leading environmental and recycling company in Asia, we are strengthening our business foundations and increasing operating bases overseas to help improve the environment in Asia.

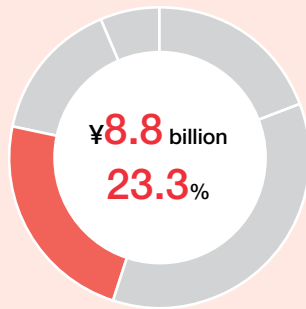
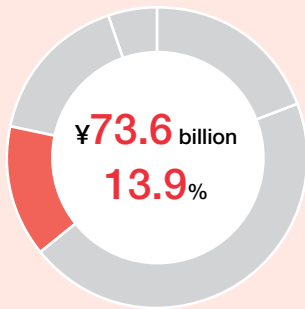
P. 12



Establish the world's best recycling smelting complex

Dowa Metals & Mining Co., Ltd. is establishing distinctive recycling and smelting complexes using its engineering capabilities honed over many years in these two areas. We are helping to develop a resource recycling society by furnishing steady supplies of copper, zinc, precious metals, rare metals, and other metals recovered from the processing of raw materials as we work to further strengthen recycling and smelting operations.

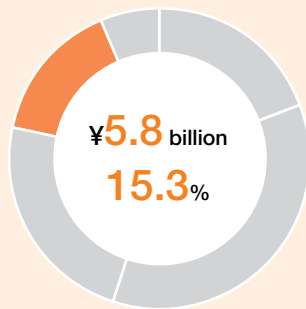
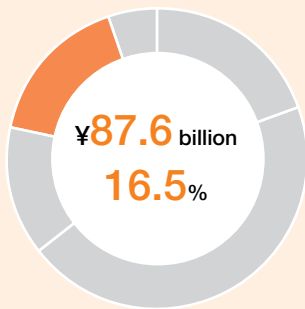
P. 14



To become the world's top-class material manufacturer with many niche / top products

Dowa Electronics Materials Co., Ltd. is engaged in various businesses—semiconductor materials such as high-purity gallium, compound semiconductor wafers, and LEDs, electronic materials that use electrical conducting materials, and functional materials that use magnetic materials—and provides its characteristic products worldwide. In the rapidly changing market for electronic materials, we are always working to further bolster competitiveness in line with our policy of being a leading technological company.

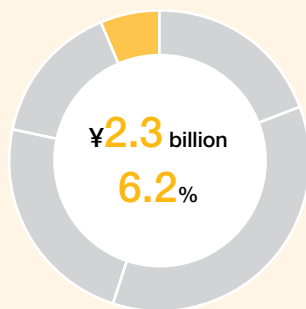
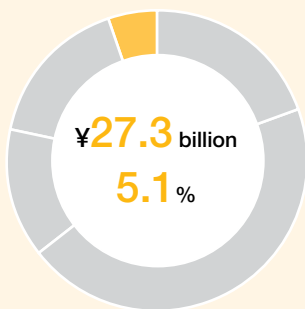
P. 16



Promote business expansion in growth fields and growth areas

Dowa Metaltech Co., Ltd. supplies value-added products for in-vehicle installation, power steering, and information communication applications from its metal processing, plating, and substrate businesses. We are promoting operations at the global level, particularly at production bases in Asia, which are positioned to target growing demand within the region.

P. 18



Make a leap forward as global manufacturer of comprehensive heat treatment company

Dowa Thermotech Co., Ltd. is engaged in a heat treatment processing business for extending the life of metal materials and an industrial furnace business that applies our accumulated expertise. Backed by our technological prowess in carburizing heat treatment and other areas, we will expand our business in Japan and overseas.

P. 20

Financial Highlights

Dowa Holdings Co., Ltd. and its Consolidated Subsidiaries

For the years ended March 31	2011	2012	2013	2014	(Billions of yen)	(Millions of U.S. dollars* ²)
					2015* ¹	2015* ¹
Financial Performance						
Net Sales	¥379.8	¥392.4	¥419.3	¥443.9	¥464.2	\$3,863
Operating Income	22.9	22.0	24.5	31.7	39.0	325
Ordinary Income	23.3	20.9	27.2	35.0	42.0	349
Net Income	8.5	10.6	15.2	23.3	26.5	220
Capital Expenditures	17.8	15.9	18.4	16.5	17.2	143
Depreciation	18.4	18.3	16.9	16.2	15.5	129
R&D Expenses	4.2	4.6	4.6	4.6	5.3	44
Financial Condition						
Equity	113.7	121.8	142.4	166.9	195.6	1,628
Total Assets	340.1	319.6	349.7	358.7	379.1	3,155
Interest-bearing Debt* ³	138.1	117.6	107.1	99.6	86.6	721
Cash Flows						
Cash Flows from Operating Activities	23.9	31.4	34.9	30.1	38.3	319
Cash Flows from Investing Activities	(19.2)	(19.4)	(19.3)	(18.6)	(20.3)	(169)
Free Cash Flows	6.1	15.5	16.5	13.6	21.0	175
Ratios						
Return on Assets (%)* ⁴	6.97	6.34	8.15	9.90	11.39	
Equity Ratio (%)	31.41	35.60	38.19	44.12	49.35	
Debt Equity Ratio (Times)	1.29	1.03	0.80	0.63	0.46	

* 1. The years stated in the text are ended March 31 of the year. Thus "2015" refers to the fiscal year, which ran from April 1, 2014 through March 31, 2015.

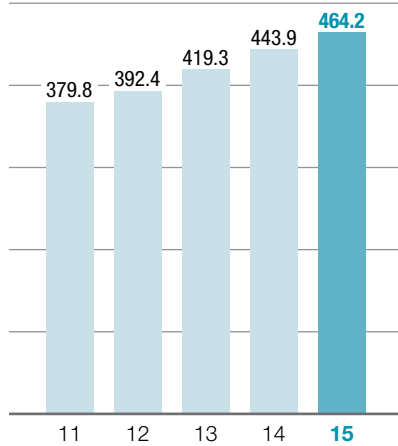
2. ¥120.17=US\$1, the rate of exchange on March 31, 2015, is used.

3. Interest-bearing debt does not include lease obligations.

4. ROA is Ordinary Income divided by the average of Total Assets (the sum total of the balance of Total Assets as of the beginning of the period and the end of the period divided by 2).

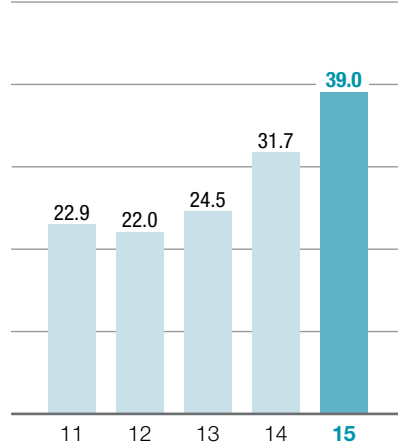
Net Sales

(Billions of yen)



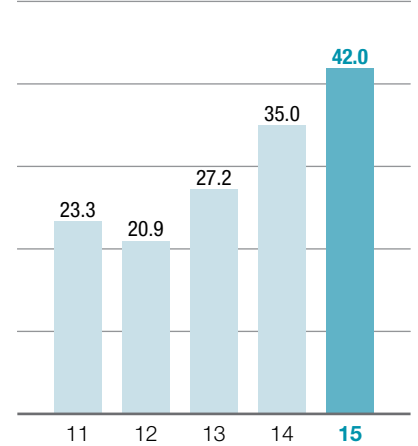
Operating Income

(Billions of yen)



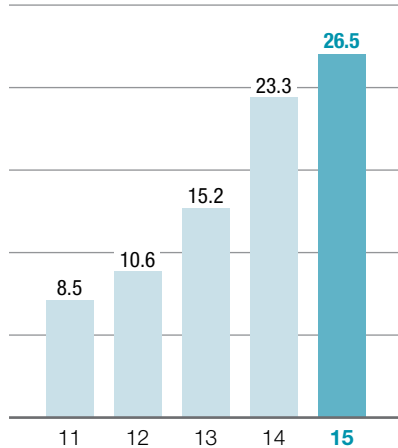
Ordinary Income

(Billions of yen)



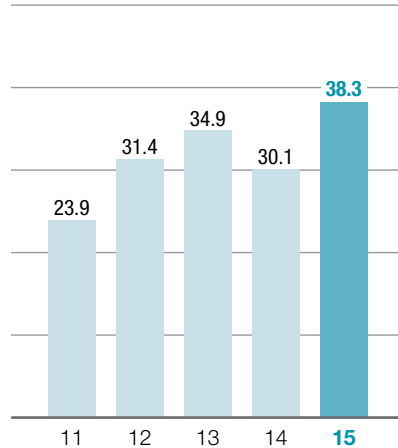
Net Income

(Billions of yen)



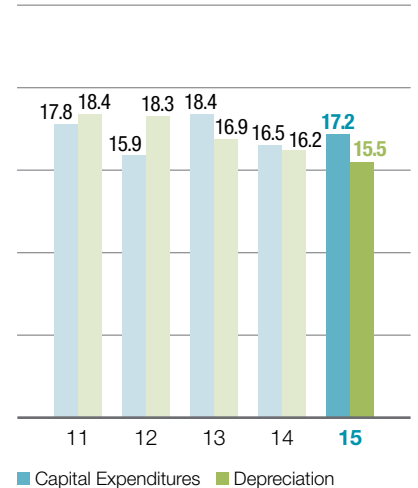
Cash Flows from Operating Activities

(Billions of yen)



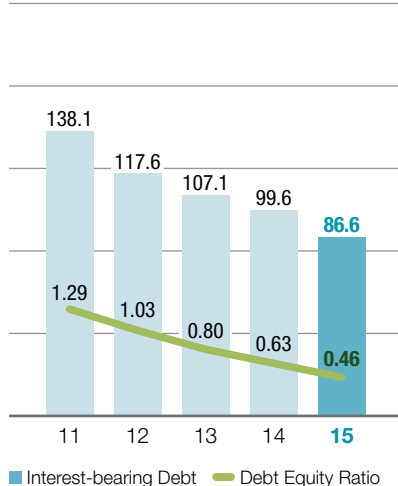
Capital Expenditures / Depreciation

(Billions of yen)



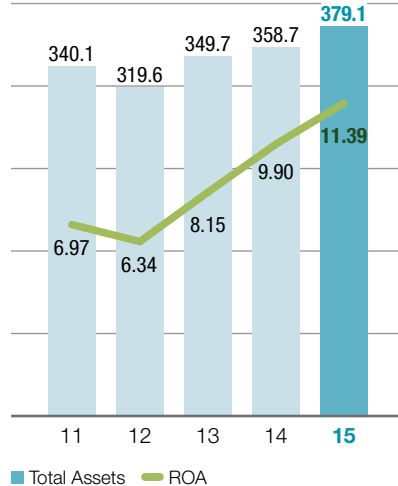
Interest-bearing Debt / Debt Equity Ratio

(Billions of yen / Times)



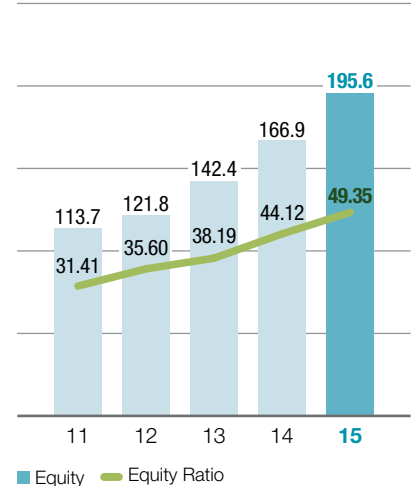
Total Assets / ROA

(Billions of yen / %)



Equity / Equity Ratio

(Billions of yen / %)



Message from the Management



Masao Yamada

President and
Representative Director

The Dowa Group will pursue further growth by expanding its operations in Asia and other emerging markets where growth is ongoing, continuing to invest in growth fields such as new energy and recycling, and steadily carrying out policies directed at improving productivity and increasing orders.

Business Environment

In fiscal 2014, the fiscal year ended March 31, 2015, the Japanese economy saw weak movement in consumer spending due to a consumption tax rate hike and rising prices of imported goods. In contrast, an improvement was seen in corporate performance due to the more beneficial export environment brought about by the weak yen. In the global economy, business conditions underpinned by robust consumer spending and increased numbers of people in employment were experienced more widely in the United States, which drove the global economy. In China, the growth rate slowed down, and although there had been signs of a recovery in the employment situation as well as from the sovereign debt crisis, the economic stagnation in Europe continued.

Regarding the Group's business environment, in global terms demand for automotive-related products continued to be strong. Demand for smartphones and alternative energy also continued to grow. In metal prices, whereas the price for zinc remained strong, the prices for precious metals and copper were soft against the backdrop of a strong U.S. dollar and weak crude oil prices. With regard to exchange rates, the yen continued its plunge to the 120 yen to the U.S. dollar range due to such factors as the Bank of Japan's financial relaxation and other measures.

Financial Performance for Fiscal 2014

Amid these conditions, the Dowa Group carried out policies directed at improving productivity and increasing orders in response to evolving markets and user trends. As a result, on a consolidated basis, net sales for fiscal 2014 increased 5% year on year to ¥464.2 billion, operating income rose 23% to ¥39.0 billion, and ordinary income also rose 20% to ¥42.0 billion. Consolidated net income increased 14% year on year to ¥26.5 billion.

Financial Condition

As of March 31, 2015, shareholders' equity increased ¥28.8 billion compared with the end of the previous fiscal year, to ¥187.1 billion, and interest-bearing debt decreased by ¥12.9 billion, to ¥86.6 billion. The equity ratio rose 5.23 points compared with the end of the previous fiscal year, to 49.35%.

Fiscal 2014 Initiatives

I would like to present some information on efforts made in fiscal 2014 that were in line with the three policies stated under the previous Medium-Term Plan: expand overseas operations, invest in growth fields, and strengthen the competitive edge of our business.

Expand Overseas Operations

In the Environmental Management & Recycling business, we commenced waste treatment in line with oil and natural gas development in both Indonesia and Thailand. In addition, we established a new waste treatment company in Myanmar and started site construction. In addition, we worked to expand operations for collecting raw materials for metal recycling from overseas, such as from North America and Asia.



Waste treatment facility in Thailand

Message from the Management

In the Nonferrous Metals business, we expanded production at our zinc processing plant in Thailand, which had commenced operations in the previous fiscal year, and worked to increase sales to Southeast Asia, a growing market.

In the Metal Processing business, we enhanced our copper rolled products and plating processes in China and Thailand and promoted increased sales in Asia.

In the Heat Treatment business, we established a local company in Mexico as a new base and commenced a maintenance business. In addition, we worked to augment the production capacity of our heat treatment plant in Indonesia.

Invest in Growth Fields

In the automotive field, which includes that of hybrid cars, we made progress in expanding sales of high-performance copper alloys for connectors and engaged in the development of new plating processes.

In the field of smartphones, we increased production of high-output LEDs used in sensors, for which there is a burgeoning demand, and expanded our production capabilities for them. We also made headway in expanding sales of the high-strength copper alloys used for connectors.

In the alternative energy field, we expanded and reinforced our facilities for silver powders used in electrode materials, promoted improvements in productivity and worked to expand sales, and made progress in developing and expanding the sales of the metal-ceramic substrates used in high-voltage inverters. In addition, we improved the characteristics of nitride semiconductors and deep ultraviolet LEDs and engaged in the early commercialization of newly developed products, including an expanded lineup of conductive materials and expansion of sample work.



High-performance copper alloys

Strengthen the Competitive Edge of Our Business

In the waste treatment operations of the Environmental Management & Recycling business, we worked to enhance marketing and our network for the collection of low-contaminated PCB waste, while commencing the construction of our new treatment facility in Akita.

In the Nonferrous Metals business, we bolstered the recovery of tin and antimony, while promoting the increased treatment of raw materials due to enhanced pre-treatment in the recovery of platinum group metals. We also participated in an exploration project in Mexico, in addition to that in Alaska.

In the Electronics Materials business, we worked on the volume production of next-generation magnetic material products for the recording tapes used in data backup.

In the Metal Processing business, we promoted yield ratio improvements and enhanced productivity.

In the Heat Treatment business, we promoted such initiatives as the integration of our heat treatment furnace design bases with our manufacturing plants in Japan and the operational reorganization of our heat treatment processes. At the same time, we promoted the development of a small-sized, cost-competitive heat treatment furnace.



Heat treatment manufacturing plant

Fiscal 2015 Policies

Fiscal 2015 marks the start of our new Medium-Term Plan. While assessing market trends, we will implement the policies below.

Over the course of the plan, we plan to achieve net sales of ¥445.0 billion, operating income of ¥42.5 billion, and ordinary income of ¥42.5 billion.

Further Expansion of Overseas Business

In the Environmental Management & Recycling business, we will promote expansion of waste treatment at our existing bases in Southeast Asia and make progress with the construction of the waste treatment facility in Myanmar, a market that we recently entered.

In the Nonferrous Metals business, we will increase production at our zinc processing plant in Thailand and expand sales in Southeast Asia.

In the Metal Processing business, we will launch a copper rolled product processing plant in Taiwan, a market that we recently entered, and will expand and reinforced our precious metal plating line in Thailand.

In the Heat Treatment business, we will commence our furnace maintenance business in Mexico, again a market that we recently entered, and engage in the construction of new bases for heat treatment processing in India.

Business Expansion by Entering Growth Markets and Related Fields

In the automotive field, which includes that of hybrid cars, we will develop and expand sales of high-performance copper alloys for connectors, and work on the volume production of high-strength plating for high-voltage terminals.

In the communications devices field, we will expand sales of thin, high-hardness copper alloys and develop electrodes for next-generation displays.

In the power semiconductors field, we plan to strengthen the production systems for nitride semiconductors.

Continual Reinforcement of Business Competitiveness

In the Environmental Management & Recycling business, we will make progress with the construction of the low-contaminated PCB treatment facility in Akita.

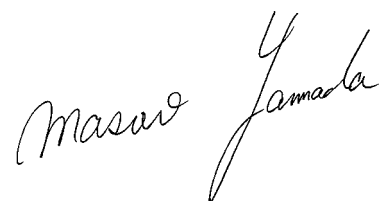
In the Nonferrous Metals business, we will further strengthen the recovery of tin and antimony while working to both expand the overseas collection of raw materials for platinum group metals recycling and augment treatment capacity.

In the Electronics Materials business, we plan to expand sales of the LEDs for sensors and conductive materials for electrodes.

In the Metal Processing business, we will work to increase production of copper rolled products and metal-ceramic substrates while taking steps to improve productivity.

In the Heat Treatment business, we will work to improve the efficiency of our production systems by reorganizing our plants in Japan.

By steadily implementing these policies, the Dowa Group intends to achieve continued growth.



Masao Yamada

President and Representative Director

Special Feature: Medium-Term Plan

The DOWA Group formulated a new Medium-Term Plan for the three years starting from fiscal 2015. In keeping with the plan's basic policy of pursuing sustained growth, the Group will continue to implement a raft of measures to further expand overseas business, expand business by entering growth markets and related fields, and continually reinforce its business competitiveness.

Overview of Medium-Term Plan

Basic Policy: Pursue Sustained Growth

1. Further Expansion of Overseas Business

- Further expand overseas business predominantly in Asia by ensuring past investment results are reflected, promoting additional facility expansion and refurbishment, and establishing new bases

2. Business Expansion by Entering Growth Markets and Related Fields

- Further strengthen efforts in growth markets, such as the markets for next-generation automobiles, communication terminals, and new forms of energy
- Enter fields related to existing businesses and thereby expand the scope of business

3. Continual Reinforcement of Business Competitiveness

- Promote increase in production capacity and investment to improve productivity in the manufacture of main products, and expand the collection network for materials to further reinforce the business foundation

Target Figures		
	Medium-Term Plan FY2015 through FY2017	FY2014 (Actual)
Ordinary Income	¥50.0 billion	¥42.0 billion
Operating Income	¥48.0 billion	¥39.0 billion
ROA	12%	11.4%
Operating CF	¥130.0 billion	¥103.5 billion*
Investment	¥80.0 billion	¥63.5 billion*
R&D Expenses	¥15.0 billion	¥14.6 billion*

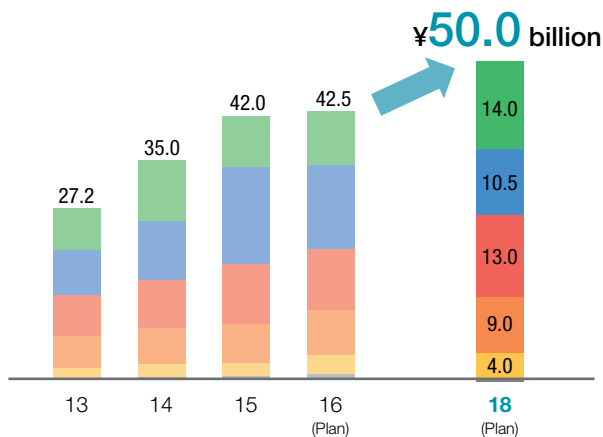
* Cumulative figures for three years from FY2012 to FY2014

Exchange Rates and Metal Prices (Assumptions)

	Medium-Term Plan FY2015 through FY2017	FY2014 (Average)
Exchange Rate: (¥/\$)	100.0	109.9
Zinc: (\$/t)	2,000	2,175
Indium: (\$/kg)	600	650
Copper: (\$/t)	6,500	6,554

Profit Targets by Segment

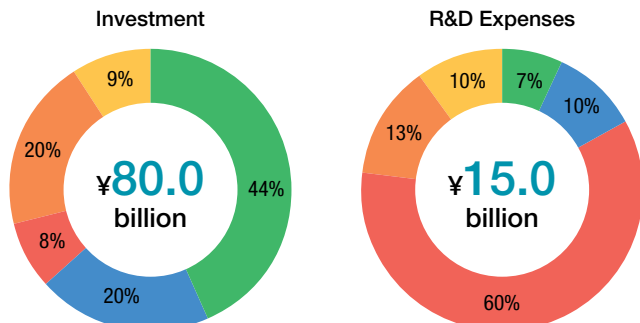
- Environmental Management & Recycling ■ Nonferrous Metals
- Electronic Materials ■ Metal Processing ■ Heat Treatment ■ Others



- Ordinary income of ¥50.0 billion in fiscal 2017, the final year of the Medium-Term Plan

Investment and R&D Expenses

- Environmental Management & Recycling ■ Nonferrous Metals
- Electronic Materials ■ Metal Processing ■ Heat Treatment



- Proactive investment centered on augmenting capacity and bolstering the business base
- Of the ¥80.0 billion, plan to devote ¥20.0 billion to overseas investments
- R&D to focus on the development of products that will become the mainstay products of the future

* Cumulative figures for the three years from FY2015 to FY2017

Business Visions and Main Actions of the Five Businesses

DOWA ECO-SYSTEM CO., LTD.

Business Vision Secure the top position in Asia in a bid to help improve the global environment as one of the leading environmental companies in the world

Major Actions Waste Treatment

- Expand the low-contaminated PCB waste treatment business and range of menus, such as menus for the separation, sorting, and recycling of materials

Soil Remediation

- Enhance treatment of naturally caused soil contamination resulting from public investment

Recycling

- Strengthen overseas collection, improve quality of extracted materials by enhancing the separation function

Southeast Asia

- Open new bases and expand the waste treatment business

DOWA METALS & MINING CO., LTD.

Business Vision Establish the world's best recycling smelting complex

Major Actions Precious Metals and Copper

- Enhance ability to handle impurities and increase recovery of tin and antimony

Rare Metals

- Expand platinum group metal recycling facilities, strengthen raw materials collection system, such as by improving sampling efficiency

Zinc

- Increase production of zinc and indium, strengthen processing plant in Thailand, and expand sales in Southeast Asia

Resource Development

- Promote exploration and development projects in an effort to raise the percentage of zinc concentrate from Dowa's proprietary mines to 50%

DOWA ELECTRONICS MATERIALS CO., LTD.

Business Vision To become the world's top-class material manufacturer with many niche / top products

Major Actions Semiconductors

- Maintain share of high-output infrared LEDs and increase production, develop new applications for nitride semiconductors and improve their properties

Electronic Materials

- Increase share of silver powders for electrode materials, improve productivity
- Mass production of conductive materials for jointing paste

Functional Materials

- Develop and maintain share of next-generation magnetic recording materials, improve properties of carrier powder and increase share

New Developments

- Improve properties of ultraviolet LEDs for disinfection and photocatalysts, improve properties of materials for fuel cells and mass produce

DOWA METALTECH CO., LTD.

Business Vision Promote business expansion in growth fields and growth areas

Major Actions Metal-Processing

- Increase production capacity and expand sales of high-performance copper alloy strips for automotive and information communication equipment, strengthen processing of overseas bases in countries such as China and Thailand

Plating

- Improve properties and expand sales of automotive plating, strengthen overseas bases in countries such as Thailand

Substrates

- Develop and expand sales of substrates for trains and automobiles as well as industrial machinery

DOWA THERMOTECH CO., LTD.

Business Vision Make a leap forward as global manufacturer of comprehensive heat treatment company

Major Actions Industrial Furnaces

- Expand sales of industrial furnaces made in India and China into the Southeast Asia market, expand maintenance service
- Expand product lineup, improve productivity by integrating the design and manufacturing departments in Japan

Heat Treatment Processing

- Increase number of bases in India, expand capacity at existing plants, enter the parts processing business
- Consolidate domestic production lines, reinforce competitiveness by introducing small, Dowa-made low-cost furnaces

Research & Development

- Build high-productivity facilities for handling small lots, develop new surface treatment technology

Environmental Management & Recycling

DOWA ECO-SYSTEM CO., LTD.



Waste Treatment	Soil Remediation	Recycling
Southeast Asia		

Main Products and Services

Waste treatment, controlled landfilling, soil remediation, metal recycling, household appliances recycling, automobile recycling, consulting on environmental matters, logistics, etc.

Medium-Term
Plan

VISION

Secure the top position in Asia in a bid to help improve the global environment as one of the leading environmental companies in the world



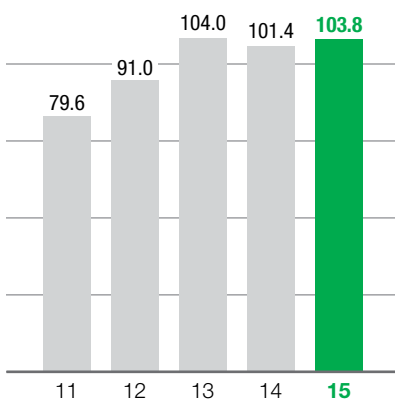
Dowa Eco-System Co., Ltd. offers one-stop integrated services with high traceability. These services range from the collection and transport of waste, contaminated soil, and recyclable raw material to intermediate waste treatment such as compacting / detoxification and conversion into raw material for smelting or controlled landfilling. By expanding into the consultation business, such as performing environmental impact assessments, and responding to a wide range of environmental needs both in Japan and overseas, we aim to become the leading company in the environmental and recycling businesses.

Kenichi Sasaki

President

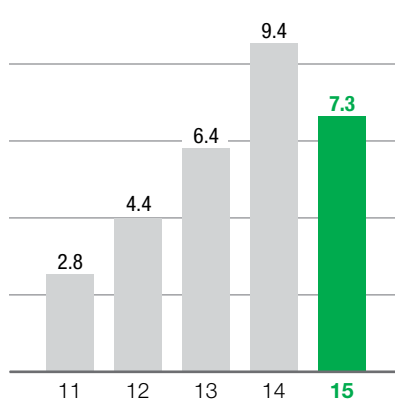
Net Sales

(Billions of yen)



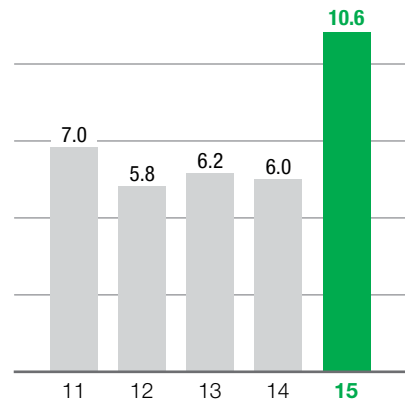
Operating Income

(Billions of yen)



Investment*

(Billions of yen)



* The total of investments in property, plant and equipment, and R&D expenses

Business Conditions and Financial Performance for Fiscal 2014

The waste treatment business leveraged its collection network and took steps to increase sales. Amid the gradual recovery seen in the real estate market, the soil remediation business expanded its sales. The recycling business worked to expand collections of scraps from electronic components in Japan and overseas. As a result of these factors, segment consolidated sales increased 2% year on year to ¥103.8 billion.

Segment consolidated operating income decreased 23% to ¥7.3 billion due to a temporary decrease in orders for waste treatment in Japan.

Future Initiatives

In the Environmental Management & Recycling business, we will work to enhance domestic operations by the constructing our new low-contaminated PCB waste treatment facility in Akita. In addition, we will launch a new waste treatment facility in Myanmar, work on new base developments in Southeast Asia, and promote the further expansion of our overseas business.

Plans are to achieve segment consolidated sales of ¥106.0 billion and segment consolidated operating income of ¥8.2 billion in fiscal 2015.

Initiatives in Each Business

Waste Treatment

Harnessing Japan's largest waste treatment network, we will make ongoing efforts to increase collections. In addition, we will also work to enhance the collection and improve the treatment efficiency of low-contaminated PCB waste, including at our newly constructed plant in Akita.



Low-contaminated PCB treatment plant under construction in Akita

Soil Remediation

With a view to capturing soil remediation demand arising from large-scale public investment, which is forecast to increase, we will make headway with the strengthening of our treatment system, such as by starting the operation of facilities that utilize innovative cleanup technologies.



Soil remediation facility in Akita

Recycling

By leveraging our new sales bases in Japan and overseas bases, such as in Singapore, we will expand our raw material for metal recycling collection operations and enhance our metal recycling business.



Used substrates

Southeast Asia

Focusing on Indonesia, we will enhance our export bases and expand our waste treatment operations. We will also make progress with the construction of a waste treatment facility and the launch of business in Myanmar.



Waste treatment facility in Indonesia

Nonferrous Metals

DOWA METALS & MINING CO., LTD.



Precious Metals and Copper	Rare Metals	Zinc
----------------------------	-------------	------

Main Products and Services

Gold, silver, copper, zinc alloy, lead, platinum, palladium, indium, gallium, germanium, tin, antimony, nickel, bismuth, tellurium, sulfuric acid, and other metals

Medium-Term Plan

VISION

Establish the world's best recycling smelting complex



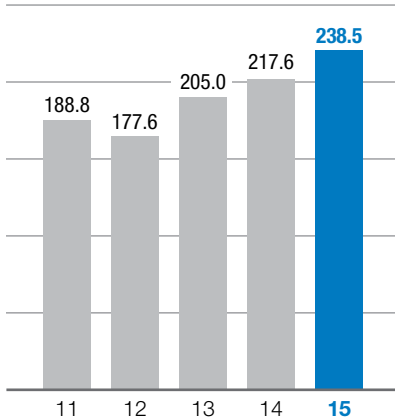
Utilizing its engineering capabilities honed over many years, Dowa Metals & Mining Co., Ltd. recovers more than 20 kinds of metal from a variety of raw materials, such as from ore and recycled materials at its proprietary smelting complexes that focus mainly on the smelting and refining of copper as well as zinc. In the years to come, we will bolster our business base by promoting the further strengthening of such areas as the efficiency of our metal recovery and our raw material procurement.

Akira Sekiguchi

President

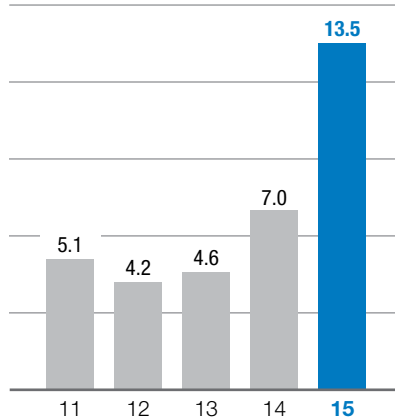
Net Sales

(Billions of yen)



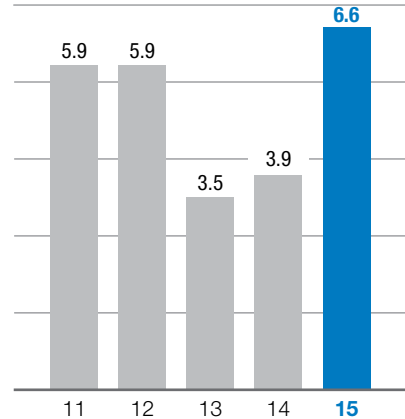
Operating Income

(Billions of yen)



Investment*

(Billions of yen)



* The total of investments in property, plant and equipment, and R&D expenses

Business Conditions and Financial Performance for Fiscal 2014

Whereas the price for zinc remained steady, the prices for copper and precious metals softened. Segment consolidated sales rose 10% year on year to ¥238.5 billion as a result of increased production and sales of such metals as platinum and of mainstay metals, such as copper and zinc.

Despite being buffeted by rising electric power prices, segment consolidated operating income increased 92% to ¥13.5 billion due to improvements in raw material conditions and the exchange rate for the yen remaining weak.

Future Initiatives

In the Nonferrous Metals business, efforts will be made to strengthen the recovery of tin, antimony, and other alloys at Kosaka Smelting & Refining Co., Ltd. Energies will also be channeled toward reinforcing cost competitiveness through a variety of measures including the increase in production of zinc at Akita Zinc Co., Ltd. and promoting improvements in electric power consumption rates. Moreover, proceeding with mine development projects in Alaska and Mexico, we will ensure the stable supply of raw materials.

Plans are to achieve segment consolidated sales of ¥240.0 billion and segment consolidated operating income of ¥13.6 billion in fiscal 2015.

Initiatives in Each Business

Precious Metals and Copper

Kosaka Smelting & Refining Co., Ltd. actively promotes the processing of recycling materials and will increase its profitability by enhancing the recovery of a wide range of metals, including tin and antimony.



Tin ingots

Rare Metals

Leveraging our worldwide group network, which includes sampling facilities in the United States and the Czech Republic, we are expanding our raw material collection operations. In addition, we are working to bring about further expansion in the operations to recover platinum group metals from automobile exhaust catalysts by carrying out improvements to our processing capacity.



Used automobile exhaust catalysts

Zinc

At Akita Zinc Co., Ltd., we are increasing the production of zinc by augmenting our facilities and are engaged in bolstering our cost effectiveness by, for example, improving the rate by which we consume electric power. We are also working to increase production of zinc processed products in Thailand and to expand sales in the Southeast Asian market.



Our zinc processing plant in Thailand

Resource Development

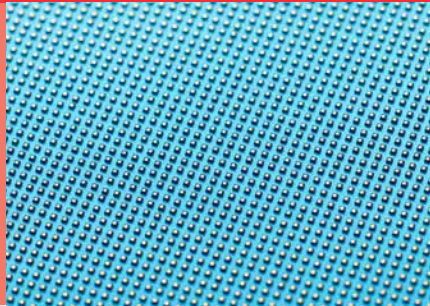
To secure the stable supply of raw materials for our smelters, we are continuing our exploration activities in Alaska and proceeding with a survey toward commercialization in Mexico.



Exploration activities in Alaska

Electronic Materials

DOWA ELECTRONICS MATERIALS CO., LTD.



Semiconductors	Electronic Materials	Functional Materials
----------------	----------------------	----------------------

Main Products and Services

High-purity gallium, indium, compound semiconductor wafers, light-emitting diodes (LEDs), silver powders, copper powders, silver oxide powders, metal powders, carrier powders, and ferrite powders

Medium-Term Plan

VISION

To become the world's top-class material manufacturer with many niche / top products



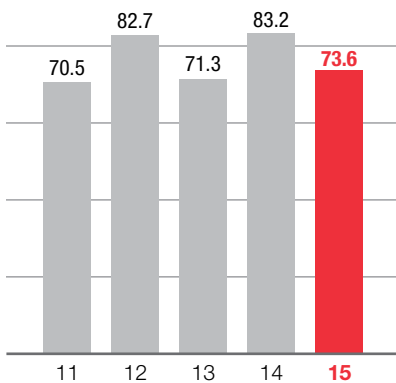
Dowa Electronics Materials Co., Ltd. supplies products with distinctive features in each of the semiconductors, electronics materials and functional materials fields. We continue to maintain a high market share by striving to meet ever-changing market needs. Based on these products, which are supported by a high level of technological capability, we are currently focusing management resources on priority products. At the same time, we are advancing the development of new products and expediting the start-up of innovative businesses.

Akira Otsuka

President

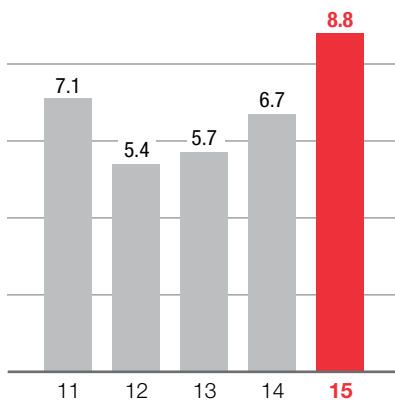
Net Sales

(Billions of yen)



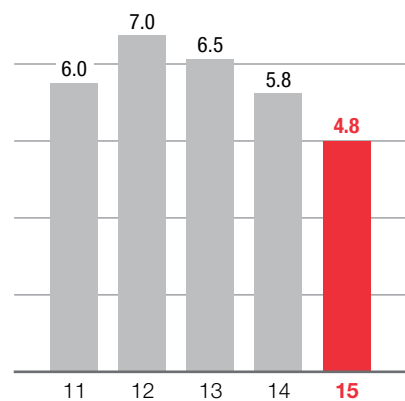
Operating Income

(Billions of yen)



Investment*

(Billions of yen)



* The total of investments in property, plant and equipment, and R&D expenses

Business Conditions and Financial Performance for Fiscal 2014

There was continued expansion in demand for smartphones and alternative energy. As a result, LEDs and silver powders sales volumes steadily increased. Affected by transactions having been partly shifted to contracted processing not containing silver metal prices, segment consolidated sales decreased 12% year on year to ¥73.6 billion.

As a result of enhanced production capacity in LEDs and silver powders, in keeping with the expansion in their respective markets, and efforts to expand sales of next-generation magnetic products for data tapes, segment consolidated operating income increased 31% to ¥8.8 billion.

Future Initiatives

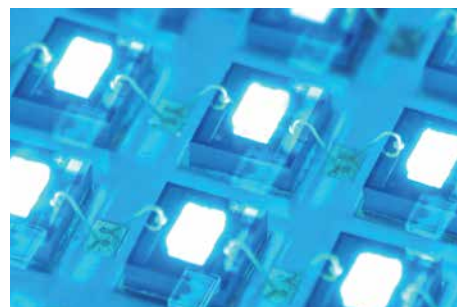
In the electronic materials business, we will promote sales expansion in LEDs used for all types of sensor and silver powders used in conductive materials, while trying to capture demand in burgeoning markets, such as smartphones and alternative energy. With regard to products for which market expansion is expected, such as power semiconductors and materials for fuel cells, we will work toward early commercialization.

Plans are to achieve segment consolidated sales of ¥49.0 billion and segment consolidated operating income of ¥8.9 billion in fiscal 2015.

Initiatives in Each Business

Semiconductors

While advancing improvements in semiconductor characteristics, such as the higher-output, thinner LEDs used for all types of sensor, we are capturing expanding demand. We are also working to launch new products at an early date. These products will include nitride semiconductors, which are expected to be used as materials in next-generation power semiconductor devices, and deep ultraviolet LEDs for sterilization and antibacterial applications.



Deep ultraviolet LEDs

Electronic Materials

In response to the burgeoning electrode materials market for silver powders, we are moving forward with plans to increase production, for example, by making improvements in productivity. At the same time, we will continue to expand our lineup by developing new products that accurately meet user needs and broadly respond to diversifying electrode material needs.



Silver powder for electrode materials

Functional Materials

In magnetic materials for the recording tapes used in data backup, we will maintain our leading share of the market by augmenting our next-generation production capacity and working to increase sales. We will also proceed with the development of high-reaction efficiency electrode materials for fuel cells.



Data tape for which magnetic materials are used

Metal Processing

DOWA METALTECH CO., LTD.



Metal-Processing	Plating	Substrates
------------------	---------	------------

Main Products and Services

Copper, brass, copper alloy strips, nickel alloy strips, reflow tin plated strips, brass rods, forged brass products, electroplated products, and metal-ceramic substrates

Medium-Term Plan

VISION

Promote business expansion in growth fields and growth areas



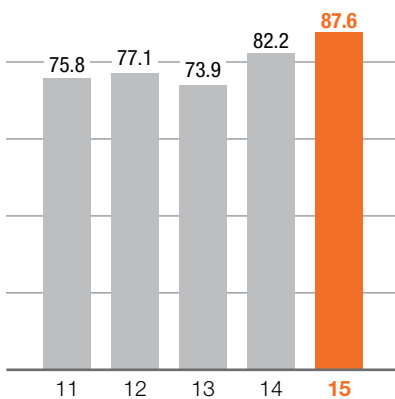
Dowa Metaltech Co., Ltd. is developing business in its mainstay products—high-performance copper rolled products and electroplated products as well as metal-ceramic substrates—for growth fields such as next-generation automobiles. In concert with advancing the development of new products to meet market needs, such as for high conductivity and strength, we are expanding our business by, for example, upgrading and expanding our bases in Asia, where growth is forecast for the coming years, and augmenting our production capabilities.

Haruo Nishizawa

President

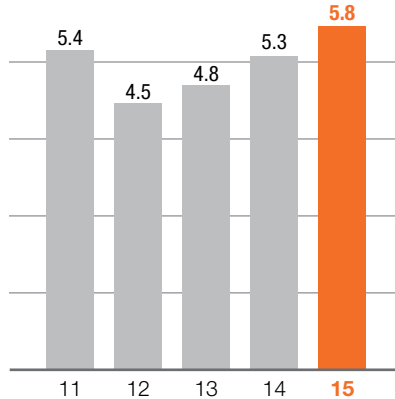
Net Sales

(Billions of yen)



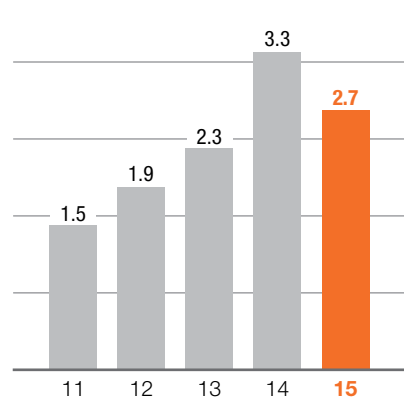
Operating Income

(Billions of yen)



Investment*

(Billions of yen)



* The total of investments in property, plant and equipment, and R&D expenses

Business Conditions and Financial Performance for Fiscal 2014

Amid steady automobile production in Japan and overseas, sales of copper rolled products and electroplated products increased. We promoted expanded sales of metal-ceramic substrates for industrial machinery and rail transport applications. As a result of these efforts, segment consolidated sales increased 7% year on year to ¥87.6 billion.

As a result of expanding the sales of mainstay products, and ongoing efforts to improve productivity and reduce costs, segment consolidated operating income rose 8% to ¥5.8 billion.

Future Initiatives

In the metal processing business, we will launch a new copper rolled product processing plant in Taiwan and will promote the augmentation of our copper rolled product plant in China and of our electroplating plant in Thailand. We will also promote the sale of metal-ceramic substrates to growth market applications, such as industrial machinery and rail transport.

Plans are to achieve segment consolidated sales of ¥91.0 billion and segment consolidated operating income of ¥7.1 billion in fiscal 2015.

Initiatives in Each Business

Metal-Processing

We will work to develop high-performance copper alloys and increase our production capacity and move forward with plans to expand our sales in fields where growth is expected such as hybrid cars and smartphones. In addition, we will expand our business in Asia by, for example, launching a new plant in Taiwan and augmenting our facilities in China and Thailand.



High-performance copper alloys

Plating

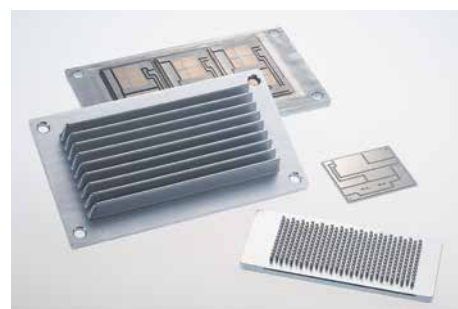
In response to increased automobile production in Southeast Asia and the accompanying localization of procurement among customers in the region, we will bolster our plating line for automobiles in Thailand, expand our product lineup, and work to expand sales. At the same time, in Japan we will work on the volume production of new plating products for next-generation automobiles.



Plating process plant in Thailand

Substrates

In addition to industrial machinery, we are actively working to expand sales for rail transport applications, an area in which growth is expected both in Japan and overseas. We will also move ahead with the making of improvements to the characteristics of new products that will offer superior heat dissipation and be highly reliable.



Metal-ceramic substrates

Heat Treatment

DOWA THERMOTECH CO., LTD.



Industrial Furnaces Heat Treatment Processing

Main Products and Services

Various types of heat treatment, various types of surface treatment, design, manufacture, marketing, and maintenance of various types of industrial furnaces and ancillary equipment

Medium-Term Plan

VISION

Make a leap forward as global manufacturer of comprehensive heat treatment company



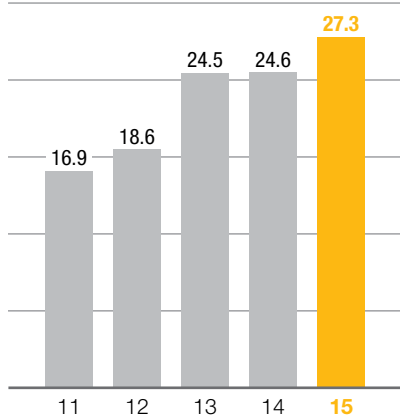
In the field of heat treatment, which increases the durability of metal parts, for example in automobiles, Dowa Thermotech Co., Ltd. undertakes the manufacture, sales, and maintenance of heat treatment facilities as well as contracted heat treatment processing. In addition to advancing overseas business expansion in geographical areas where growth is expected in the years ahead, we are working to strengthen our business competitiveness by, for example, realigning our bases in Japan.

Toshiro Sumida

President

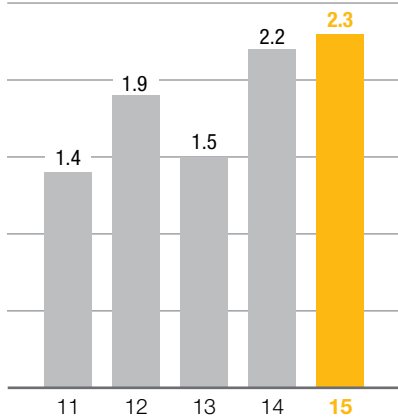
Net Sales

(Billions of yen)



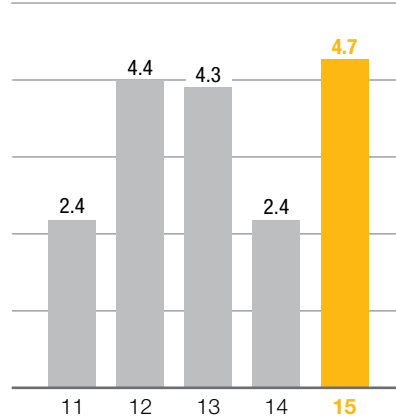
Operating Income

(Billions of yen)



Investment*

(Billions of yen)



* The total of investments in property, plant and equipment, and R&D expenses

Business Conditions and Financial Performance for Fiscal 2014

In concert with the growth in the automobile market, the industrial furnace business increased sales in Japan and overseas and increased maintenance orders. In the heat treatment processing business, we promoted the augmentation of facilities in Indonesia and other locations, while increasing overseas sales. Consequently segment consolidated sales increased 11% compared with the previous fiscal year to ¥27.3 billion.

As a result of the realignment of our bases in Japan and efforts to strengthen our competitiveness, such as by improving productivity, segment consolidated operating income rose 4% to ¥2.3 billion.

Future Initiatives

In the industrial furnace business, we will further promote overseas business development, such as in India and Mexico, while reorganizing our manufacturing and maintenance bases in Japan, where we will work to improve the productivity of our heat treatment plants. Furthermore, we will advance the development of the small-sized, cost-competitive heat treatment furnace.

Plans are to achieve segment consolidated sales of ¥28.5 billion and segment consolidated operating income of ¥3.1 billion in fiscal 2015.

Initiatives in Each Business

Industrial Furnaces

Primarily in areas where growth is expected, such as Southeast Asia and North America as well as in India and Mexico, where we have recently entered the market, we will work to expand our maintenance business. In Japan, we will develop a small-sized, cost-competitive heat treatment furnace, promote its installation at our heat treatment processing bases, and continue to strengthen our competitiveness.



Heat treatment furnace manufactured at our base in India

Heat Treatment Processing

In Asia, where robust expansion in automobile production is expected, we will move ahead with plans to augment our heat treatment processing capabilities. In Indonesia, we will increase production of heat treatment processing, while in India we will build new bases and boost the treatment capabilities of our existing plants. Domestically, we will work to make our production framework more efficient in response to shifts in demand, promote the winning of new sales, and devise ways to strengthen profitability.



Heat treatment processing plant in Indonesia

Corporate Governance

The Dowa Group has made strengthening of corporate governance (corporate control) one of its most important management priorities, and the entire Group is engaged in developing and operating effective and efficient internal controls based on the Dowa Group's Values and Standards of Conduct.

Outline of Corporate Governance System

The Dowa Group uses a system of executive officers and a holding company structure that separates business divisions as subsidiaries in order to expedite decision making and improve management efficiency. In addition, the maximum number of directors has been set at 13 to further improve the supervisory function of the Board of Directors. Managerial responsibilities are clearly maintained by keeping the term of office at one year.

As of June 24, 2015, there were seven directors (including two outside directors). The Board of Directors meeting is held once every month, in principle. There are also six executive officers as of June 24, 2015 (none that are also directors) with a Committee of the Operating Officers held once every month in principle, for directors and executive officers to share information regarding the status of business execution. We also have a Audit & Supervisory Board,

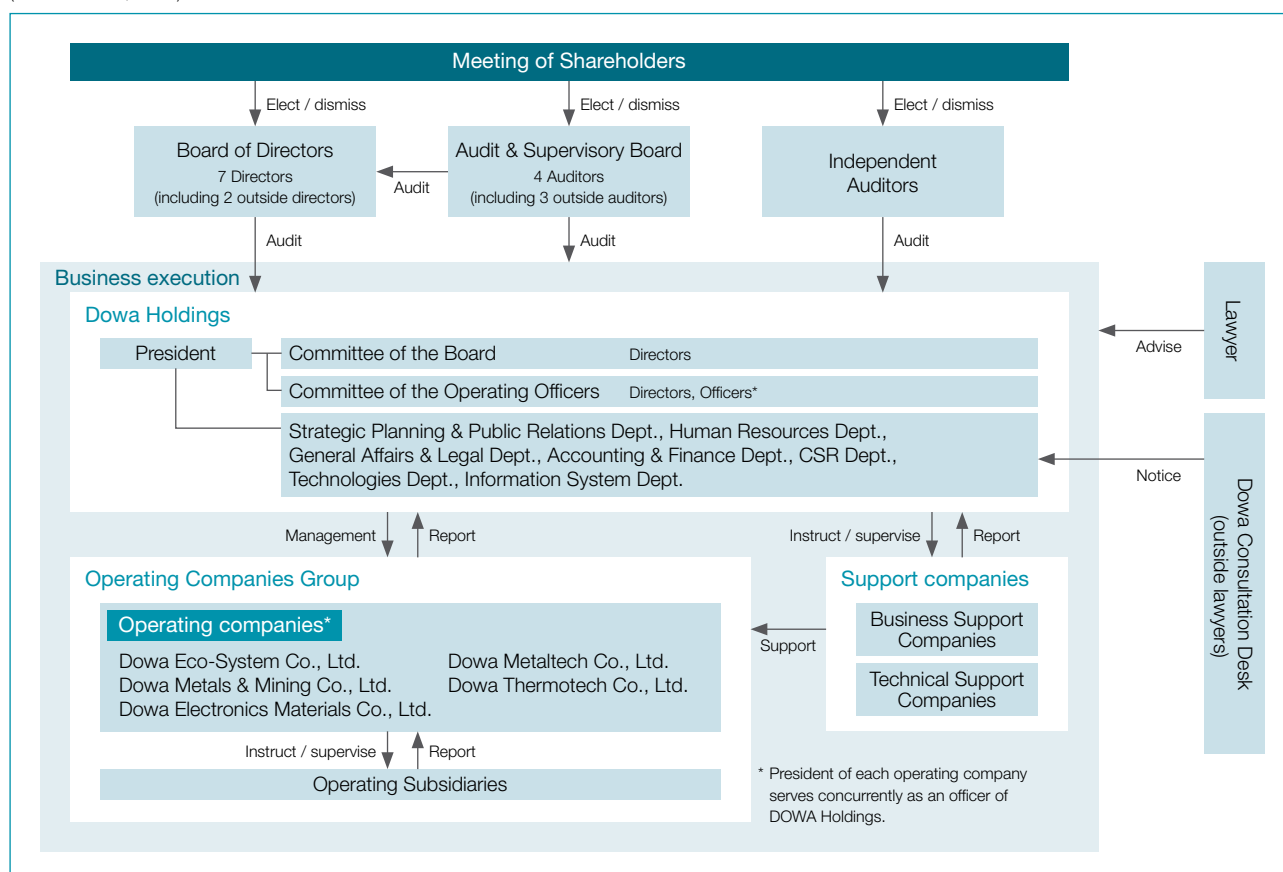
comprising four Audit & Supervisory Board members as of June 24, 2015 (including three outside Audit & Supervisory Board members) who conduct audits of business execution by directors, reporting to the Audit & Supervisory Board meeting, held once every month in principle, ensuring audit effectiveness and efficiency.

Corporate Governance System (As of June 24, 2015)

Organization Form	Company with Auditors
Number of Directors	7 (Number of the Company's Articles of Incorporation: 13)
Among these, Outside Directors	2 (including 1 designated Independent Director)
Articles of Incorporation	1 year
Chairman of the Board of Directors	President
Number of Audit & Supervisory Board members	4 (Number of the Company's Articles of Incorporation: 5)
Among these, Outside Auditors	3

The DOWA Group Corporate Governance Structure

(As of June 24, 2015)



Status of Internal Audits and Auditor Audits

Internal audits based on internal audit regulations stipulated by the Dowa Group cover all corporate activities, including accounting, legal, safety, and environmental audits. The Company's CSR Department, relevant divisions, and Group companies conduct internal audits in coordination with one another, with findings reported to directors, auditors, and relevant departments.

Audit & Supervisory Board members audit the execution of director duties in accordance with the audit policies and audit plans for the term stipulated by the Audit & Supervisory Board. They also monitor the independence of the independent auditors, and coordinate with them by explaining audit plans and reporting audit findings.

Audit & Supervisory Board members, independent auditors, and the CSR Department regularly set up discussion forums and work closely with one another in order to further improve internal audits.

Development and Overview of Internal Control Systems

Approach Regarding Internal Control Systems

In accordance with the Dowa Group's Values and Standards of Conduct, the Company and Group companies have made a collective effort to design and operate effective and efficient internal controls to contribute to society, maximize corporate value, and fulfill management responsibilities conferred by shareholders. At the same time, laws are being revised and the public's general stance toward compliance is hardening, so we expect even stronger demands to be placed on the Group going forward.

Given these trends, the Company converted to a holding company structure on October 1, 2006.

The holding company structure raises the level of specialization of each business group and the speed at which policies can be executed. However, it also carries the risk that control systems will become localized and overall governance will suffer.

As a result, at the Dowa Group, basic policies and systems for internal control are shared among Group companies. Additionally, individual companies can utilize their own unique characteristics for specific activities, in order to develop an effective and efficient internal control system suited to our holding company structure.

Moreover, the internal control system must continually be revised in line with changes in business activities and the social environment, so the Company and Group companies intend to promote the system even more robustly.

Overview of Internal Control Systems

The Company will work to strengthen oversight of the Board of Directors by appointing executive officers and separating the execution function from the Board.

We will clarify the authority and responsibilities of personnel for each rank based on company rules such as Board regulations and administrative authority regulations and will rigorously ensure compliance with the law, articles of incorporation, and social norms through independent study and educational programs for directors and employees.

We will continue to design and operate systems for ensuring the reliability of financial reporting.

We will adopt a firm stand across the organization toward antisocial forces. In addition, we will coordinate efforts with all relevant organizations including the police as well as legal advisors.

We established the Dowa Consultation Desk, and have put in place the necessary mechanisms to use internal audits to prevent any improprieties or misconduct and to quickly discover any such incidents.

In order to identify and avoid risk, the Company will have the Board of Directors and other bodies conduct stringent reviews when decisions are made on important matters. We will also work to build a communication system to facilitate coordination among Group companies and improve our emergency response capabilities.

Remuneration for Directors and Auditors

Remuneration for directors and Audit & Supervisory Board members is determined by resolution of the general meeting of shareholders. Specific amounts and payment dates for directors are determined by the resolution of the Board of Directors based on the recommendations of the Remuneration Committee, which includes outside members. Specific amounts and payment dates for Audit & Supervisory Board members are decided through Audit & Supervisory Board member deliberations.

Total Remuneration Amount of Individual Directors or Audit & Supervisory Board members for Fiscal 2014

Position	Number	Remuneration Amounts
Directors	6	¥296 million
Audit & Supervisory Board members	4	¥61 million
(Among these, Outside Directors and Audit & Supervisory Board members)	(3)	(¥20 million)

CSR Policy & Planning

To promote CSR activities from a long-term perspective, the DOWA Group prepared its CSR Policy based on the DOWA Group's Corporate Philosophy and its Standards of Conduct. On the basis of our CSR policy, we fulfill our responsibilities to society through the implementation of management-integrated CSR activities. To encourage effective CSR, we continue to promote the policy's adoption within the Group. Upon the CSR Policy's implementation, the DOWA Group formulated a raft of focus measures to be addressed as a matter of priority. To promote responsible management as a company, we will continue to work on the deployment of those measures.

For details, refer to the CSR Report at <http://www.dowa-csr.jp/en/csr/index.html>

DOWA Group's CSR Policy and Planning

	CSR Policy	Focus Measures
Governance	<ul style="list-style-type: none"> We will aim at being an open, transparent company to society. We will respect international agreements and strive to prevent corruption such as bribery. We will take CSR into consideration when making procurements. 	<ul style="list-style-type: none"> We will strengthen internal control and governance. We will prepare CSR procurement guidelines.
Safety	<ul style="list-style-type: none"> All employees will take part spontaneously in safety activities to improve the level of safety and hygiene in the workplace, based on our basic philosophy of "Safety is the top priority." We are committed to preventing accidents at work and supporting the health of employees. 	<ul style="list-style-type: none"> We will improve our risk assessment. We will enhance our safety education program throughout the Group.
Environment	<ul style="list-style-type: none"> We will provide customers (clients and local communities) with products and services that contribute to building a resource-recycling society. We will reduce environmental burden and risk in our business activities. We, the management and employees together, will take part in environmental conservation activities. We will promote business activities that take biodiversity into consideration. 	<ul style="list-style-type: none"> We will promote environmentally friendly products and renewable energy fields. We will conduct a survey on biodiversity and prepare guidelines.
Society	<ul style="list-style-type: none"> We will promote social contribution appropriate with community standards together with local communities. 	<ul style="list-style-type: none"> We will promote diversity and work-life balance. We will promote CSR education. We will contribute to local communities.

CSR Activities at DOWA's Overseas Sites

Initiative in India

Having set up five heat treatment businesses in four regions within India, HIGHTEMP FURNACES Ltd. actively encourages CSR activities that benefit its employees and their families as well as the local residents in each of those regions.

Located in a district of Bangalore, the Nelamangala plant opened a water well that was drilled inside the plant for free to the local residents of two neighboring villages, not only for them to use the water on the premises, but to provide water for household use. The delayed laying of waterworks in the area would normally have necessitated the villagers having to go to a remote location to draw water for household use, but opening the well has removed that inconvenience.



Local residents using the well at the Nelamangala plant

Formulation of CSR Procurement Guidelines

In keeping with the rising social demands in recent years for aspects of CSR to be implemented along the entire supply chain, the DOWA Group CSR Procurement Guidelines, which are based on its CSR procurement policy, was formulated in fiscal 2014. The guidelines address the basic thinking on what each company in the DOWA Group and their suppliers should take into consideration with regard to the promotion of CSR in their procurement activities. Going forward, we will provide our suppliers with questionnaires based on the guidelines and conduct on-site audits. In partnership with our suppliers, we will continue to engage in proactive CSR promotion.

Board of Directors and Officers

As of June 24, 2015

Directors



Masao Yamada
President &
Representative Director



Fumitoshi Sugiyama
Representative Director



Hiroshi Nakashio
Director



Hiroyuki Kai
Director



Katsuji Matsushita
Director



Eiji Hosoda
Outside Director



Yoshiko Koizumi
Outside Director

Auditors



Kazu Iwano
Corporate Auditor
(full-time)



Junichi Iwabuchi
Outside Corporate
Auditor (full-time)



Jin Takeda
Outside Auditor



Kazuo Nakasone
Outside Auditor

Officers



Kenichi Sasaki
Officer
President, Dowa
Eco-System Co., Ltd.



Akira Sekiguchi
Officer
President, Dowa Metals
& Mining Co., Ltd.



Akira Otsuka
Officer
President, Dowa
Electronics Materials
Co., Ltd.



Haruo Nishizawa
Officer
President, Dowa
Metaltech Co., Ltd.



Toshiro Sumida
Officer
President, Dowa
Thermotech Co., Ltd.



Kiyoshi Yamada
Officer
President, Dowa
Technology Co., Ltd.

Financial Review

Fiscal year ended March 31, 2015

Financial Performance

During the fiscal year ended March 31, 2015, conditions throughout the Japanese economy were mixed. On the one hand, there were signs that personal consumption was weak due mainly to the impact on consumer spending of the consumption tax rate hike and an increase in the prices of imported products. On the other hand, there were indications of an upswing in corporate-sector results largely reflecting improvements in export conditions on the back of the weak yen. Turning to conditions outside Japan, the global economy was driven by growth in the United States, which experienced firm personal consumption and an increase in employment. China, on the other hand, is experiencing a slowdown in its rate of economic growth. Despite signs of a recovery in both the employment and financial environments, Europe continued to experience stagnant conditions.

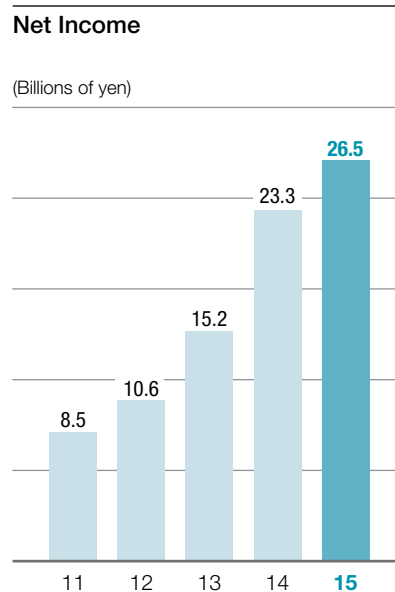
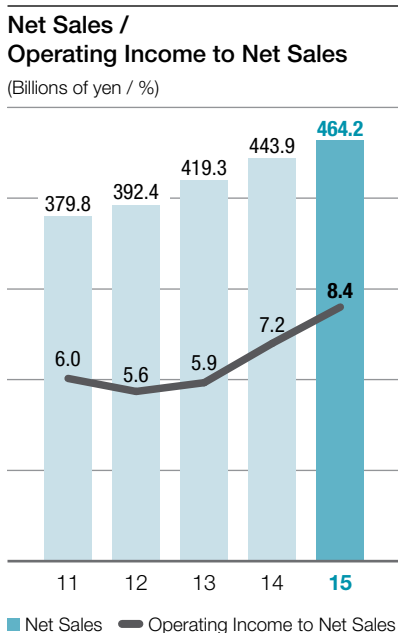
Looking at the business environment of the Dowa Group, global demand for automotive products remained firm. Demand was also sound in each of the smartphone and new energy fields. The prices for precious metals and copper were soft against the backdrop of a strong U.S. dollar and weak crude oil prices. Turning to foreign currency exchange rate markets, the value of the yen declined to ¥120/US\$1 owing mainly to the easy-money policies implemented by the Bank of Japan.

Under these circumstances, the Dowa Group carried out initiatives aimed at enhancing productivity and increasing orders in response to movements in market conditions and consumer behavior.

Accounting for the aforementioned factors, net sales amounted to ¥464,219 million in the fiscal year under review, an increase of 5% compared with the previous fiscal year on a consolidated basis. From a profit perspective, consolidated operating income climbed 23% year on year to ¥39,094 million, consolidated ordinary income also grew 20% to ¥42,037 million, and consolidated net income improved 14% to ¥26,543 million.

Forecasts for the Next Fiscal Year

Management expects the global economy as a whole will continue to follow a recovery path. Despite a persistent slowdown in the rates of economic growth of certain developing countries, this positive outlook is mainly attributable to the underlying strength of the United States. Japan is also projected to experience an ongoing recovery on the back of a modest upturn in commodity prices, improvements in exports due to the weak yen, and other factors.



Against this backdrop, the Dowa Group will continue to steadfastly carry out various measures and strengthen business operations while working to identify global market trends.

For the fiscal year ending March 31, 2016, net sales are forecast to reach ¥445.0 billion while operating income, ordinary income, and net income attributable to the parent are expected to total ¥42.5 billion, ¥42.5 billion, and ¥27.0 billion, respectively. This forecast data assumes an average US dollar exchange rate of ¥115 and a market price for copper and zinc of \$6,000/ton and \$2,200/ton, respectively.

Analysis of Financial Position

Assets

Total assets as of the end of the fiscal year under review stood at ¥379,193 million, up ¥20,475 million compared with the end of the previous fiscal year. Current assets grew ¥6,216 million and fixed assets increased ¥14,259 million. The increase in current assets was due mainly to the rise of ¥3,321 million in raw materials and supplies. The growth in fixed assets was largely attributable to the ¥9,152 million increase in investment securities as a result of a rise in the value of publicly listed stocks owned by the Group.

Liabilities

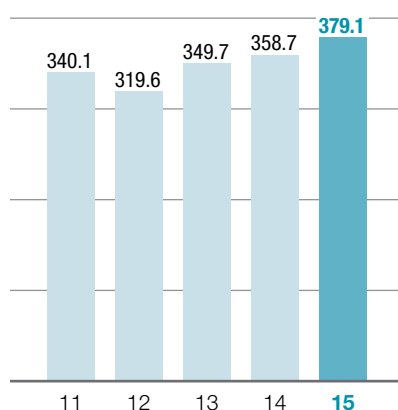
Liabilities decreased ¥8,187 million compared with the previous fiscal year-end. Despite the increase of ¥2,277 million in net defined benefit liability, this decrease was mainly due to a reduction in interest-bearing debt of ¥12,995 million.

Equity

While net income came in at ¥26,543 million, the payment of cash dividends and other factors meant that the increase in shareholders' equity was held to ¥20,820 million. Accumulated other comprehensive income climbed ¥8,047 million due mainly to the application of mark-to-market accounting to investment securities and an increase in foreign currency translation adjustments. As a result, equity was ¥28,662 million higher than the balance as of the end of the previous fiscal year, with the equity ratio rising to 49.35%.

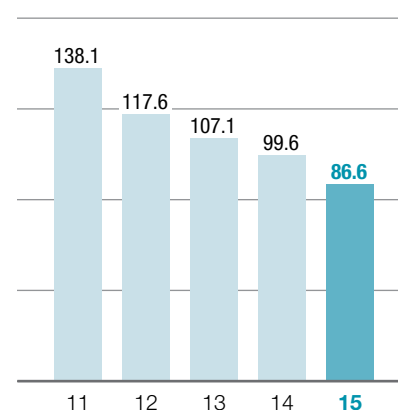
Total Assets

(Billions of yen)



Interest-bearing Debt

(Billions of yen)



Financial Review

Analysis of Cash Flows

Consolidated cash and cash equivalents (“cash”) increased ¥2,221 million compared with the end of the previous fiscal year to ¥8,044 million.

Net cash provided by operating activities was ¥38,345 million (up ¥8,156 million year on year). Principal cash inflows were income before income taxes and minority interests of ¥41,816 million (up ¥8,826 million) and the non-financial expenses of depreciation and amortization of ¥15,572 million. Major cash outflows were the decrease in trade payables of ¥4,104 million and income taxes paid of ¥13,846 million.

Net cash used in investing activities was ¥20,321 million (up ¥1,631 million). This was primarily due to capital expenditures of ¥16,838 million mainly in the Environmental Management & Recycling business and purchases of shares of ¥6,254 million for expanding operations.

Net cash used in financing activities was ¥16,905 million (up ¥4,564 million). This largely reflected the repayment of interest-bearing debt totaling ¥12,805 million and cash dividends paid of ¥4,653 million.

(For reference) Cash Flow-related Indicator Trends

	2011.3	2012.3	2013.3	2014.3	2015.3
Equity ratio	31.4	35.6	38.2	44.1	49.3
Market price-based equity ratio	45.0	50.9	62.3	71.1	80.2
Interest-bearing debt-to-cash flow ratio	5.8	3.7	3.1	3.3	2.4
Interest coverage ratio	10.7	15.7	19.9	19.3	31.2

*1. Equity ratio: shareholders' equity / total assets

Market price-based equity ratio: market capitalization / total assets

Interest-bearing debt-to-cash flow ratio: interest-bearing debt / cash flows

Interest coverage ratio: cash flows / total interest paid

2. Each ratio is calculated on a consolidated basis.

3. Market capitalization is calculated based on the number of outstanding shares excluding treasury stock.

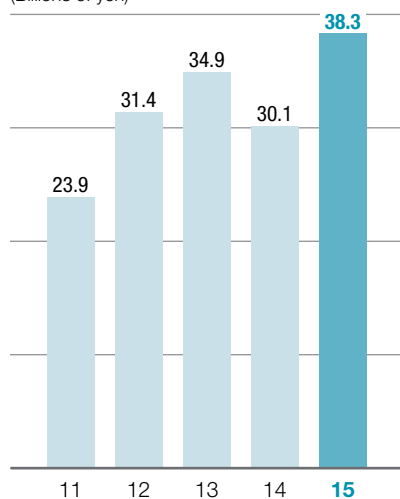
4. Cash flows are the cash flows from operating activities on the consolidated statement of cash flows.

5. Interest-bearing debt includes all liabilities (except lease obligations) bearing interest posted on the consolidated balance sheet.

The total interest paid is the (Decrease) increase in interest payable on the consolidated statement of cash flows.

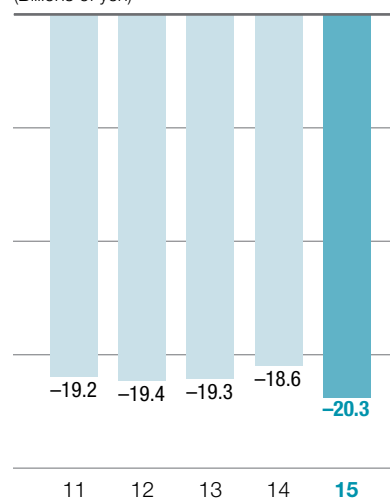
Cash Flows from Operating Activities

(Billions of yen)



Cash Flows from Investing Activities

(Billions of yen)



Basic Dividend Policy and Dividends for the Fiscal Year Under Review and the Next Fiscal Year

Dowa views the payment of dividends to shareholders as one of its most important management issues. The Company's policy is to pay a dividend commensurate with performance, having appropriated sufficient retained earnings to bolster the Group's business position and support future business development.

After comprehensive consideration of its performance in the fiscal year under review as well as the need to pursue business development and strengthen its financial structure, the Company intends to pay an annual dividend of ¥18 per share, an increase of ¥3 per share compared with the previous fiscal year. At present, the Company also plans to pay the same dividend of ¥18 per share in the fiscal year ending March 31, 2016.

Business Risks

The Group faces a variety of risks such as those described below that could potentially and adversely impact its operating results, stock price, and financial position.

Forward-looking statements among the risk items that follow reflect the opinion of the Group as of March 31, 2015.

Economic Conditions

The Group's business performance and financial condition may be negatively affected by economic recessions in its principal markets, which include Japan, North America, Asia, and Europe, or by shrinking demand accompanying such changes.

Metal and Currency Markets

Among its products, the Group handles gold, silver, copper, and zinc, the prices for which are set by international markets. The unprocessed ore for these metals is also procured from overseas. For these reasons, the Group is confronted with risks due to changes in international market conditions and fluctuations in currency exchange rates. The Group employs a variety of hedging measures, including non-ferrous metal commodity forward contracts and forward exchange contracts, in an attempt to mitigate these risks.

Public Regulations

The Group is subject to a variety of legal regulations. In Japan, these include laws pertaining to the environment and recycling, as well as anti-trust laws. Overseas, the Group must comply with legal regulations present in the countries where it operates, for example, regulations regarding customs, imports and exports, and laws concerning the control of foreign currency. The Group, for its part, takes every legal precaution to protect its rights with respect to these laws. Nevertheless, business performance may be adversely affected if Group business operations are restricted as a result of mandates stipulated by the establishment of presently unforeseen regulations.

Stock Price Fluctuations

The Group is subject to risks due to fluctuations in stock prices stemming from the approximately ¥32.7 billion in marketable securities it held as of March 31, 2015. These securities primarily represent stock held in Group business partners.

Interest Rate Fluctuations

As of March 31, 2015, the Group's balance of interest-bearing debt was ¥88.6 billion, with external fund procurement accounting for 23% of total assets. Consequently, a sharp rise in interest rates could adversely affect business performance.

Disasters and Power Outages

The Group conducts disaster prevention and equipment inspections at all of its facilities in an attempt to minimize any possible negative effects that could result from sudden production line stoppages. Nevertheless, the Group may experience a dramatic decline in production capacity should a disaster, power outage, or other type of interruption occur at its production facilities.

Consolidated 11-Year Summary

Dowa Holdings Co., Ltd. and its Consolidated Subsidiaries

For the years ended March 31	2015*1	2014	2013	2012
Financial Performance				
Net Sales	¥464,219	¥443,985	¥419,390	¥392,468
Cost of Sales.....	391,509	382,079	365,963	343,015
Selling, General and Administrative Expenses	33,616	30,111	28,863	27,443
Operating Income (Loss)	39,094	31,794	24,564	22,009
Operating Income by Segment (%)				
Environmental Management & Recycling (2000~)	18.80%	29.86%	26.37%	20.34%
Nonferrous Metals	34.69	22.20	19.09	19.25
Electronic Materials (2007~)	22.55	21.12	23.58	24.95
Metal Processing (2007~)	14.85	16.96	19.89	20.59
Electronic Materials & Metal Processing (2003~2006)	—	—	—	—
Heat Treatment (2000~)	6.02	7.12	6.33	8.95
Others and Elimination	3.09	2.74	4.74	5.92
EBITDA*2	¥54,667	¥48,000	¥41,551	¥40,354
Net Income (Loss).....	26,543	23,310	15,213	10,610
Capital Expenditures	17,247	16,549	18,422	15,910
Depreciation	15,572	16,205	16,987	18,344
R&D Expenses	5,320	4,651	4,604	4,623
Exchange Rate and Metal Prices				
Copper (Price quoted, Average)	¥765,775	¥757,633	¥696,375	¥717,816
Zinc (Price quoted, Average)	285,983	240,325	208,675	211,683
US Dollar (Average)	109.93	100.23	83.11	79.08
Financial Position				
Equity*3	¥195,649	¥166,987	¥142,400	¥121,807
Minority Interests	8,528	8,733	8,807	7,999
Total Assets*3	379,193	358,717	349,787	319,665
Interest-bearing Debt*4.....	86,668	99,663	107,198	117,670
Per Share (Yen)				
Basic Net Income (Loss)	¥ 89.69	¥ 78.77	¥ 51.41	¥ 35.86
Fully Diluted Net Income*5	—	—	—	—
Fully Diluted Equity*5.....	632.30	534.75	451.41	384.55
Cash Dividends.....	18.00	15.00	12.00	10.00
Cash Flows				
Cash Flows from Operating Activities.....	¥ 38,345	¥ 30,189	¥ 34,970	¥ 31,499
Cash Flows from Investing Activities	(20,321)	(18,689)	(19,354)	(19,491)
Cash Flows from Financing Activities.....	(16,905)	(12,341)	(14,982)	(24,134)
Free Cash Flows	21,098	13,639	16,547	15,589
Cash and Cash Equivalents at End of Year	8,044	5,823	6,129	4,788
Ratios				
Return on Assets*6	10.60%	8.98%	7.34%	6.67%
Return on Equity*7 *8.....	15.37	15.97	12.30	9.62
Operating Income (Loss) to Net Sales (%).....	8.42	7.16	5.86	5.61
Equity Ratio*8	49.35	44.12	38.19	35.60
Operating Income Growth	22.96	29.43	11.60	(3.99)
Interest Coverage (Times)	34.23	21.41	14.82	11.52
Debt / Equity Ratio (Times)*8	0.46	0.63	0.80	1.03
Debt / Capacity Ratio (Times).....	1.06	1.28	1.37	1.83
Return on Invested Capital*8	9.70	9.04	6.32	4.58

*1. The years stated in the text are ended March 31 of the year. Thus "2015" refers to the fiscal year, which ran from April 1, 2014 through March 31, 2015.

2. EBITDA is calculated by adding Operating Income and Depreciation.

3. The Equity and Total Assets for 2006 have been reclassified to reflect the "Accounting standards for presentation of net assets in the balance sheet."

4. From 2008, in the balance sheets, long-term loans payable and current portion of long-term loans payable were stated including lease obligations. However, interest-bearing debt amounts stated in the Consolidated 11-Year Summary do not include lease obligations.

(Millions of yen)

	2011	2010	2009	2008	2007	2006	2005
	¥379,816	¥307,462	¥346,885	¥475,826	¥458,701	¥316,388	¥254,192
	330,380	268,738	329,340	399,901	383,136	253,389	202,447
	26,511	25,022	26,042	31,605	26,830	26,101	24,102
	22,924	13,701	(8,497)	44,319	48,733	36,897	27,642
	12.22%	15.35%	—%	18.11%	16.31%	16.32%	17.02%
	22.56	21.95	—	50.74	51.55	45.58	41.31
	31.16	35.12	—	14.23	14.31	—	—
	23.66	24.00	—	6.86	9.37	—	—
	—	—	—	—	—	28.15	32.04
	6.18	1.07	—	8.11	7.37	8.90	10.86
	4.21	2.51	—	1.93	1.08	1.04	(1.23)
	¥41,410	¥32,978	¥ 19,268	¥18,657	¥14,023	¥ 9,934	¥ 9,343
	8,521	4,359	(28,138)	24,520	26,337	14,532	10,609
	17,820	10,763	24,213	26,324	21,821	12,497	11,551
	18,486	19,276	18,612	13,974	9,897	9,316	9,242
	4,266	4,099	4,980	7,996	4,689	4,100	3,166
	¥738,200	¥609,483	¥657,408	¥915,950	¥867,400	¥517,308	¥371,141
	231,858	222,575	202,725	388,183	461,633	228,191	162,408
	85.72	92.85	100.53	114.28	117.02	113.31	107.55
	¥113,785	¥111,667	¥103,830	¥150,281	¥141,276	¥114,869	¥ 94,670
	6,942	5,663	5,263	6,078	4,491	3,833	—
	340,161	330,720	343,208	367,931	352,299	303,029	261,461
	138,119	149,371	180,496	120,953	114,757	99,653	97,709
	¥ 28.80	¥ 14.96	¥ (94.36)	¥ 81.86	¥ 87.82	¥ 48.12	¥ 35.14
	—	—	—	77.91	83.59	—	—
	361.18	358.33	339.93	481.85	456.10	382.69	315.46
	10.00	10.00	10.00	20.00	20.00	14.00	10.00
	¥ 23,955	¥ 25,011	¥ 33,593	¥ 40,398	¥ 13,700	¥ 17,783	¥ 17,432
	(19,257)	(14,602)	(36,477)	(39,138)	(24,387)	(15,616)	(7,636)
	(15,070)	(33,888)	49,303	(1,820)	9,634	(1,758)	(8,917)
	6,135	14,248	9,380	12,565	(6,504)	6,050	5,162
	16,741	27,115	50,681	4,294	4,792	5,813	5,286
	6.83%	4.07%	—%	12.31%	14.87%	13.07%	10.89%
	8.01	4.26	(23.18)	17.45	20.93	13.87	11.83
	6.04	4.46	(2.45)	9.31	10.62	11.66	10.88
	31.41	32.05	28.72	39.19	38.83	37.91	36.21
	67.31	—	—	(9.06)	32.08	33.48	56.70
	10.55	5.12	(2.79)	21.10	30.18	29.23	20.30
	1.29	1.41	1.83	0.84	0.84	0.87	1.03
	1.90	1.91	2.11	1.48	1.42	1.91	1.87
	3.48	1.71	(10.08)	9.25	10.47	6.77	5.52

5. Fully diluted net income is not stated from 2005 to 2006 and from 2010 to 2015 because no diluted shares existed. Fully diluted net income is not stated for 2009 although diluted shares existed because a net loss per share was incurred.

6. Operating Income divided by average of Total Assets at the start and end of the year.

7. Net Income divided by average of Equity at the start and end of the year.

8. From 2007, the ratios have been calculated using shareholders' equity (the amounts after deducting minority interest amounts from equity amounts).

Consolidated Balance Sheet

DOWA Holdings Co., Ltd. and its Consolidated Subsidiaries
As of March 31, 2015

Assets	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Current Assets:			
Cash and time deposits (Note 3, 6 and 14)	¥8,517	¥5,857	\$70,876
Notes and accounts receivable:(Note 14)			
Trade	70,866	69,202	589,717
Nonconsolidated subsidiaries and affiliates	2,527	3,315	21,033
Others	6,133	7,898	51,037
Subtotal	79,527	80,416	661,788
Inventories:			
Merchandise and finished products	22,306	21,570	185,620
Work in process	4,750	4,983	39,534
Raw materials and supplies	54,540	51,218	453,862
Subtotal	81,597	77,773	679,018
Deferred tax assets (Note 9)	5,248	4,713	43,675
Other current assets	5,488	5,315	45,672
Allowance for doubtful accounts	(163)	(77)	(1,364)
Total current assets	180,215	173,998	1,499,667
Property, Plant, and Equipment (Notes 5 and 6):			
Land	23,666	22,680	196,942
Buildings and structures	105,728	100,611	879,828
Machinery and equipment	216,606	210,312	1,802,504
Construction in progress	6,644	4,477	55,294
Others	14,154	13,048	117,788
Subtotal	366,801	351,129	3,052,357
Accumulated depreciation	(259,126)	(247,238)	(2,156,329)
Net property, plant, and equipment	107,675	103,890	896,028
Investments and Other Assets:			
Investments in securities (Notes 4, 6 and 14)	34,888	28,423	290,329
Investments in and advances to nonconsolidated subsidiaries and affiliates (Notes 4, 6 and 14)	37,332	34,066	310,663
Long-term loans	0	1	7
Deferred tax assets (Note 9)	3,372	3,527	28,060
Goodwill	6,970	6,997	58,004
Other assets	8,872	7,951	73,832
Allowance for doubtful accounts	(134)	(139)	(1,119)
Total investments and other assets	91,302	80,828	759,779
Total assets	¥379,193	¥358,717	\$3,155,475

*1. The accompanying notes are an integral part of these consolidated financial statements.

*2. The years stated in the text are for fiscal years, which run from April 1 of the previous year through March 31. Thus, 2015 refers to the year ended March 31, 2015.

*3. ¥120.17 = U.S. \$1, the rate of exchange on March 31, 2015, is used.

Liabilities and Equity	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Current Liabilities:			
Short-term borrowings (Note 6 and 14)	¥15,223	¥25,848	\$126,684
Commercial paper (Note 6 and 14)	18,000	10,000	149,787
Current maturities of long-term debt (Note 6 and 14)	15,549	26,022	129,397
Notes and accounts payable:(Note 14)			
Trade	29,140	33,677	242,496
Nonconsolidated subsidiaries and affiliates	1,974	824	16,434
Others	6,011	4,253	50,028
Subtotal	37,127	38,755	308,959
Accrued expenses	7,927	7,821	65,969
Accrued income taxes	8,623	7,630	71,758
Accrued bonuses	3,702	3,435	30,808
Accrued directors' bonuses	235	200	1,959
Other current liabilities	12,428	12,089	103,420
Total current liabilities	118,817	131,803	988,746
Long-term Liabilities:			
Long-term debt (Note 6 and 14)	39,108	38,671	325,446
Reserve for employees' retirement benefits (Note 12)	14,508	12,230	120,731
Reserve for directors' and audit & supervisory board members' retirement benefits	691	595	5,751
Deferred tax liabilities (Note 9)	4,420	2,940	36,782
Other long-term liabilities	5,997	5,489	49,907
Total long-term liabilities	64,725	59,927	538,619
Total liabilities	183,543	191,730	1,527,366
Contingent Liabilities (Note 7)			
Equity (Note 8):			
Common stock:			
Authorized: 1,000,000 thousand shares in 2015 and 2014			
Issued: 309,946 thousand shares in 2015 and 2014	36,437	36,437	303,215
Capital surplus	26,362	26,362	219,376
Retained earnings	108,630	87,806	903,973
Treasury stock, at cost			
(14,008 thousand shares in 2015 and 14,004 thousand shares in 2014)	(5,699)	(5,695)	(47,425)
Accumulated Other Comprehensive Income:			
Unrealized gain on available-for-sale securities	15,801	10,947	131,495
Deferred (loss) gain on derivatives under hedge accounting	(197)	315	(1,646)
Foreign currency translation adjustments	6,167	2,604	51,325
Defined retirement benefit plans (Note 12).....	(381)	(523)	(3,173)
Total	187,121	158,253	1,557,140
Minority Interests	8,528	8,733	70,968
Total equity	195,649	166,987	1,628,108
Total liabilities and equity	¥379,193	¥358,717	\$3,155,475

Consolidated Statement of Income

DOWA Holdings Co., Ltd. and its Consolidated Subsidiaries
For the years ended March 31, 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Net Sales	¥464,219	¥443,985	\$3,863,024
Cost of Sales (Notes 11 and 13)	391,509	382,079	3,257,959
Gross profit	72,710	61,905	605,065
Selling, General, and Administrative Expenses (Notes 10 and 11)	33,616	30,111	279,738
Operating income	39,094	31,794	325,326
Other Income (Expenses):			
Interest and dividend income	816	699	6,795
Interest expense	(1,165)	(1,517)	(9,702)
Gain (loss) on sales and disposal of property, plant, and equipment, net....	2,689	(1,794)	22,384
Foreign exchange gain.....	585	63	4,874
Equity in earnings of affiliates	1,973	2,672	16,421
Royalty income	747	1,008	6,217
Gain on sales of investments in securities, net.....	142	55	1,188
Loss on devaluation of investments in securities	(1,853)	—	(15,420)
Environmental expenses.....	(551)	(1,145)	(4,590)
Loss on impairments (Note 5)	(536)	(52)	(4,462)
Loss from natural disaster	(637)	(246)	(5,306)
Other, net	510	1,451	4,249
Subtotal	2,721	1,194	22,647
Income before income taxes and minority interests	41,816	32,989	347,973
Income Taxes (Note 9):			
Current	14,628	11,302	121,731
Deferred	485	(1,757)	4,037
Total income taxes	15,113	9,544	125,769
Net income before minority interests	26,702	23,444	222,204
Minority Interests	(158)	(134)	(1,317)
Net income	¥26,543	¥23,310	\$220,886

Per Share (Note 17):	Yen		U.S. dollars (Note 1)
	2015	2014	2015
Basic net income	¥89.69	¥78.77	\$0.75
Cash dividends	18.00	15.00	0.15

*1. The accompanying notes are an integral part of these consolidated financial statements.

*2. The years stated in the text are for fiscal years, which run from April 1 of the previous year through March 31. Thus, 2015 refers to the year ended March 31, 2015.

*3. ¥120.17 = U.S. \$1, the rate of exchange on March 31, 2015, is used.

Consolidated Statement of Comprehensive Income

DOWA Holdings Co., Ltd. and its Consolidated Subsidiaries
For the years ended March 31, 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Net income before minority interests	¥26,702	¥23,444	\$222,204
Other comprehensive income:			
Unrealized gain on available-for-sale securities	4,791	1,511	39,876
Deferred (loss) gain on derivatives under hedge accounting	(508)	177	(4,227)
Foreign currency translation adjustments	3,023	2,274	25,162
Defined retirement benefit plan	91	—	760
Share of other comprehensive income in affiliates	812	1,846	6,758
Total other comprehensive income (Note 16).....	8,211	5,808	68,329
Comprehensive income	¥34,913	¥29,253	\$290,534
Comprehensive income attributable to:			
Owners of the parent	¥34,590	¥28,874	\$287,850
Minority interests	322	378	2,683

*1. The accompanying notes are an integral part of these consolidated financial statements.

*2. The years stated in the text are for fiscal years, which run from April 1 of the previous year through March 31. Thus, 2015 refers to the year ended March 31, 2015.

*3. ¥120.17 = U.S. \$1, the rate of exchange on March 31, 2015, is used.

Consolidated Statement of Changes in Equity

DOWA Holdings Co., Ltd. and its Consolidated Subsidiaries
For the years ended March 31, 2015

	Thousands	Millions of yen			
	Number of Shares of Common Stock Outstanding	Shareholders' Equity			
		Common Stock	Capital Surplus	Retained Earnings	Treasury Stock, at Cost
Balance, April 1, 2013	295,949	¥36,437	¥26,362	¥68,180	(¥5,688)
Cash dividends paid	—	—	—	(3,606)	—
Net income	—	—	—	23,310	—
Net change in treasury stock held by affiliates during year	(0)	—	—	0	—
Purchases of treasury stock	(7)	—	—	—	(6)
Increase in retained earnings due to increase in number of consolidated subsidiaries	—	—	—	(77)	—
Net changes of items other than shareholders' equity	—	—	—	—	—
Balance, March 31, 2014 (April 1, 2014, as previously reported)	295,941	¥36,437	¥26,362	¥87,806	(¥5,695)
Cumulative effect of accounting change	—	—	—	(1,331)	—
Balance, April 1, 2014 (as restated)	295,941	¥36,437	¥26,362	¥86,475	(¥5,695)
Cash dividends paid	—	—	—	(4,507)	—
Net income	—	—	—	26,543	—
Net change in treasury stock held by affiliates during year	(0)	—	—	—	—
Purchases of treasury stock	(3)	—	—	—	(3)
Decrease in retained earnings due to increase in number of consolidated subsidiaries	—	—	—	(74)	—
Increase in retained earnings due to change in ownership interest of a consolidated subsidiary	—	—	—	193	—
Net changes of items other than shareholders' equity	—	—	—	—	—
Balance, March 31, 2015	295,937	¥36,437	¥26,362	¥108,630	(¥5,699)

	Thousands	Thousands of U.S. dollars (Note 1)			
	Number of Shares of Common Stock Outstanding	Shareholders' Equity			
		Common Stock	Capital Surplus	Retained Earnings	Treasury Stock, at Cost
Balance, March 31, 2014 (April 1, 2014, as previously reported)	295,941	\$303,215	\$219,376	\$730,683	(\$47,395)
Cumulative effect of accounting change	—	—	—	(11,077)	—
Balance, April 1, 2014 (as restated)	295,941	\$303,215	\$219,376	\$719,605	(\$47,395)
Cash dividends paid	—	—	—	(37,509)	—
Net income	—	—	—	220,886	—
Net change in treasury stock held by affiliates during year	(0)	—	—	—	—
Purchases of treasury stock	(3)	—	—	—	(29)
Decrease in retained earnings due to increase in number of consolidated subsidiaries	—	—	—	(619)	—
Increase in retained earnings due to change in ownership interest of a consolidated subsidiary	—	—	—	1,610	—
Net changes of items other than shareholders' equity	—	—	—	—	—
Balance, March 31, 2015	295,937	\$303,215	\$219,376	\$903,973	(\$47,425)

*1. The accompanying notes are an integral part of these consolidated financial statements.

*2. The years stated in the text are for fiscal years, which run from April 1 of the previous year through March 31. Thus, 2015 refers to the year ended March 31, 2015.

*3. ¥120.17 = U.S. \$1, the rate of exchange on March 31, 2015, is used.

Consolidated Statement of Changes in Equity

	Millions of yen						
	Accumulated Other Comprehensive Income				Total	Minority Interests	Total Net Assets
	Unrealized Gain on Available-for-Sale Securities	Deferred (Loss) Gain on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans			
Balance, April 1, 2013	¥8,990	¥89	(¥777)	—	¥133,593	¥8,807	¥142,400
Cash dividends paid	—	—	—	—	(3,606)	—	(3,606)
Net income	—	—	—	—	23,310	—	23,310
Net change in treasury stock held by affiliates during year	—	—	—	—	0	—	0
Purchases of treasury stock	—	—	—	—	(6)	—	(6)
Increase in retained earnings due to increase in number of consolidated subsidiaries	—	—	—	—	(77)	—	(77)
Net changes of items other than shareholders' equity	1,956	226	3,381	(523)	5,040	(73)	4,966
Balance, March 31, 2014 (April 1, 2014, as previously reported)	¥10,947	¥315	¥2,604	(¥523)	¥158,253	¥8,733	¥166,987
Cumulative effect of accounting change	—	—	—	—	(1,331)	—	(1,331)
Balance, April 1, 2014 (as restated)	¥10,947	¥315	¥2,604	(¥523)	¥156,922	¥8,733	¥165,655
Cash dividends paid	—	—	—	—	(4,507)	—	(4,507)
Net income	—	—	—	—	28,543	—	28,543
Net change in treasury stock held by affiliates during year	—	—	—	—	—	—	—
Purchases of treasury stock	—	—	—	—	(3)	—	(3)
Decrease in retained earnings due to increase in number of consolidated subsidiaries	—	—	—	—	(74)	—	(74)
Increase in retained earnings due to change in ownership interest of a consolidated subsidiary	—	—	—	—	193	—	193
Net changes of items other than shareholders' equity	4,854	(513)	3,563	142	8,047	(205)	7,842
Balance, March 31, 2015	¥15,801	¥(197)	¥6,167	¥(381)	¥187,121	¥8,528	¥195,649

	Thousands of U.S. dollars (Note 1)						
	Accumulated Other Comprehensive Income				Total	Minority Interests	Total Net Assets
	Unrealized Gain on Available-for-Sale Securities	Deferred (Loss) Gain on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans			
Balance, March 31, 2014 (April 1, 2014, as previously reported)	\$91,096	\$2,626	\$21,671	(\$4,357)	\$1,316,916	\$72,674	\$1,389,591
Cumulative effect of accounting change	—	—	—	—	(11,077)	—	(11,077)
Balance, April 1, 2014 (as restated)	\$91,096	\$2,626	\$21,671	(\$4,357)	\$1,305,838	\$72,674	\$1,378,513
Cash dividends paid	—	—	—	—	(37,509)	—	(37,509)
Net income	—	—	—	—	220,886	—	220,886
Net change in treasury stock held by affiliates during year	—	—	—	—	—	—	—
Purchases of treasury stock	—	—	—	—	(29)	—	(29)
Decrease in retained earnings due to increase in number of consolidated subsidiaries	—	—	—	—	(619)	—	(619)
Increase in retained earnings due to change in ownership interest of a consolidated subsidiary	—	—	—	—	1,610	—	1,610
Net changes of items other than shareholders' equity	40,398	(4,272)	29,653	1,184	66,963	(1,706)	65,257
Balance, March 31, 2015	\$131,495	(\$1,646)	\$51,325	(\$3,173)	\$1,557,140	\$70,968	\$1,628,108

Consolidated Statement of Cash Flows

DOWA Holdings Co., Ltd. and its Consolidated Subsidiaries
For the years ended March 31, 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	¥41,816	¥32,989	\$347,973
Adjustments for:			
Income taxes paid	(13,846)	(9,133)	(115,227)
Depreciation and amortization	16,075	16,725	133,771
(Gain) loss on sales and disposal of property, plant, and equipment, net.....	(2,689)	1,794	(22,384)
Equity in earnings of affiliates	(1,973)	(2,672)	(16,421)
Gain on sales of investments in securities, net	(142)	(55)	(1,188)
Loss on devaluation of investments in securities	1,853	—	15,420
Loss on impairments (Note 5)	536	52	4,462
Changes in assets and liabilities			
(Increase) decrease in trade receivables	(437)	933	(3,639)
(Increase) decrease in inventories	(3,338)	3,020	(27,778)
Decrease in trade payables	(4,104)	(8,729)	(34,157)
Increase (decrease) in allowance for doubtful accounts	73	(0)	614
Increase in reserve for employees' retirement benefits	390	563	3,248
Decrease in interest and dividend receivables	1,532	3,308	12,749
Decrease in interest payable	(14)	(43)	(118)
Other, net	2,616	(8,565)	21,774
Net cash provided by operating activities	38,345	30,189	319,096
Cash Flows from Investing Activities:			
Acquisition of property, plant, and equipment	(16,302)	(15,499)	(135,658)
Proceeds from sales of property, plant, and equipment	4,861	95	40,453
Acquisition of intangible fixed asset.....	(536)	(831)	(4,462)
Acquisition of investments in securities	(1,452)	(542)	(12,083)
Proceeds from sales of investments in securities	232	95	1,930
Acquisition of investments in subsidiaries and affiliates	(4,802)	(1,824)	(39,963)
Payments for loans	(1,122)	(1,621)	(9,344)
Proceeds from collection of loans	674	970	5,609
Proceeds from subsidy.....	234	466	1,954
Acquisition of other investments.....	(1,502)	—	(12,502)
Other, net	(805)	1	(5,039)
Net cash used in investing activities	(20,321)	(18,689)	(169,106)
Cash Flows from Financing Activities:			
Net decrease in short-term borrowings.....	(10,306)	(3,043)	(85,765)
Net increase in commercial paper	8,000	10,000	66,572
Proceeds from long-term debt	5,394	9,517	44,888
Repayment of long-term debt	(15,892)	(24,738)	(132,253)
Redemption of bonds.....	(10,000)	—	(83,215)
Proceeds from issuance of bonds.....	10,000	—	83,215
Cash dividends paid	(4,653)	(3,754)	(38,724)
Proceeds from stock issuance to minority shareholders.....	400	—	3,328
Increase in lease obligations by sale and leaseback	369	45	3,073
Repayment of lease obligations	(213)	(361)	(1,773)
Purchases of treasury stock	(3)	(6)	(29)
Net cash used in financing activities	(16,905)	(12,341)	(140,683)
Foreign Currency Translation Adjustment on Cash and Cash Equivalents	855	433	7,116
Net increase (decrease) in Cash and Cash Equivalents	1,973	(408)	16,423
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	450	102	3,748
Decrease in Cash and Cash Equivalents due to Exclusion of Subsidiaries from Consolidation.....	(202)	—	(1,688)
Cash and Cash Equivalents at Beginning of Year	5,823	6,129	48,461
Cash and Cash Equivalents at End of Year (Note 3)	¥8,044	¥5,823	\$66,944

*1. The accompanying notes are an integral part of these consolidated financial statements.

*2. The years stated in the text are for fiscal years, which run from April 1 of the previous year through March 31. Thus, 2015 refers to the year ended March 31, 2015.

*3. ¥120.17 = U.S. \$1, the rate of exchange on March 31, 2015, is used.

Notes to Consolidated Financial Statements

DOWA Holdings Co., Ltd. and its Consolidated Subsidiaries
Years ended March 31, 2015

1. Basis of Presentation of the Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting standards and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

Japanese yen figures are rounded down to the nearest ¥1 million (U.S. \$1 thousand), except for per-share data.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2014 consolidated financial statements to conform to the classifications used in 2015.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Dowa Holdings Co., Ltd. (the “Company”) is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥120.17 to U.S. \$1, the approximate rate of exchange at March 31, 2015. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. Summary of Significant Accounting Policies

(1) Principles of Consolidation

The consolidated financial statements as of March 31, 2015, include the accounts of the Company and its 77 significant (74 in 2014) subsidiaries (together, the “Group”).

Under the control or influence concept, those significant companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and investment in 15 significant (14 in 2014) affiliate companies are accounted for by the equity method.

Investments in the remaining nonconsolidated subsidiaries and affiliate companies are stated at cost because of their immaterial effect on the consolidated financial statements.

The excess of the cost of acquisition over the fair value of the net assets of an acquired subsidiary at the date of acquisition is being amortized on a straight-line basis within 20 years.

(a) Note Regarding Consolidation (2015)

The consolidated financial statements for the year ended March 31, 2015, newly include DOWA METALS & MINING (THAILAND) CO., LTD., PT. DOWA THERMOTECH INDONESIA and PT. DOWA THERMOTECH FURNACES, which were nonconsolidated subsidiaries in the consolidated financial statements for the year ended March 31, 2014, from the viewpoint of materiality. Newly established during this fiscal year, DMM Palmer Co., Ltd. has been included within consolidation. Furthermore, Tianjin Dowa Green Angel Summit Recycling Co., Ltd. has been excluded from consolidation because substantive control over the company was not recognized.

(2014)

The consolidated financial statements for the year ended March 31, 2014, newly include NIPPON PGM AMERICA, INC. and Nippon PGM Europe s.r.o., which were nonconsolidated subsidiaries in the consolidated financial statements for the year ended March 31, 2013, from the viewpoint of materiality. Newly established during this fiscal year, Dowa Metals & Mining Alaska Ltd. has been included within consolidation.

(b) Accounting Period of Foreign Subsidiaries

In preparing the consolidated financial statements for the year ended March 31, 2015, the Company used the financial statements with an account closing date of December 31, 2014, in the cases of 17 foreign subsidiaries including Modern Asia Environmental Holdings, Inc.; Dowa Environmental Management Co., Ltd.; Dowa Advanced Materials (Shanghai) Co., Ltd.; and other companies. Material transactions that occurred between January 1, 2015, and March 31, 2015, were adjusted in the consolidated financial statements, as necessary.

(2) Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of cash flows are composed of cash on hand, bank deposits able to be withdrawn on demand, and short-term investments with an original maturity of three months or less and which represent a minor risk of fluctuation in value.

(3) Securities

Securities held by the Group are classified into three categories.

Investments in equity securities issued by nonconsolidated subsidiaries and affiliates are accounted for by the equity method. In certain cases, investments in nonconsolidated subsidiaries and affiliates are stated at cost by using the moving-average method because the effect of application of the equity method would be immaterial.

Available-for-sale securities with market quotations are stated at fair value. Unrealized gains and losses on these securities are stated, net of applicable taxes, as "unrealized gains on available-for-sale securities" on the consolidated balance sheet.

Available-for-sale securities without market quotations are stated at cost by using the moving-average method.

In cases where the fair value of equity securities issued by nonconsolidated subsidiaries and affiliates or available-for-sale securities has declined significantly and such impairment of the value is deemed other than temporary, those securities are written down to the fair value and the resulting losses are included in net profit or loss for the period.

(4) Inventories

Inventories are stated at the lower of cost or market value. The costs of the primary finished products and imported raw materials are determined by the first-in, first-out method. The costs of other finished products and other raw materials are determined by the moving-average method.

(5) Property, Plant, and Equipment

Property, plant, and equipment, including significant renewals and additions, are stated at cost. Repairs and maintenance expenses are charged to current income. Depreciation is computed by the declining-balance method based on the estimated useful lives of the respective assets. Depreciation of the landfill is computed using the production method.

The Company and domestic consolidated subsidiaries have computed the depreciation for buildings (excluding leasehold improvements and auxiliary facilities attached to buildings) that were acquired on or after April 1, 1998, by the straight-line method.

(6) Long - lived Assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable.

An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group.

The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

(7) Research and Development and Intangible Assets

Research and development expenses are charged to the consolidated statement of income as incurred.

Expenses relating to the development of internal use computer software are charged to the consolidated statement of income when incurred, except when it is determined that the software contributes to the future generation of income or cost savings. Such expenses are capitalized as an asset and are amortized using the straight-line method over their estimated useful life, which is five years.

Intangible assets other than software are amortized using the straight-line method.

Notes to Consolidated Financial Statements

(8) Leases

(a) Lease Assets Pertaining to Finance Leases that are Deemed to Transfer Ownership of the Leased Property to the Lessee

These are calculated using the same method as the depreciation method that applies to fixed assets owned by the Group.

(b) Lease Assets Pertaining to Finance Leases that are not Deemed to Transfer Ownership of the Leased Property to the Lessee

These use a method of calculation that takes the lease period to be the useful life and the salvage value to be zero. Note, however, that when the lease start date of a finance lease that is not deemed to transfer ownership of the leased property to the lessee is before April 1, 2008, which is the date of the adoption of the existing lease accounting standard, such finance leases shall be accounted for by the method pertaining to ordinary operating lease transactions.

(9) Allowance for Doubtful Accounts

The Group has recorded an allowance for doubtful accounts based on the percentage of its own historical bad debt losses against the balance of total receivables, plus the amount deemed necessary to cover individual accounts estimated to be uncollectible.

(10) Accrued Bonuses

Accrued bonuses to employees are provided for at the estimated amounts, which the Group is obliged to pay to employees after the year-end.

(11) Accrued Directors' Bonuses

Accrued bonuses to directors, including bonuses for the portion corresponding to the corporate performance-based remuneration system, are provided for at the estimated amounts, which the Group is obliged to pay to directors after the year-end.

(12) Reserve for Employees' Retirement Benefits

(a) When calculating retirement benefit obligations, the benefit formula method is used for attributing expected retirement benefits to periods through March 31, 2015.

(b) Method of amortization for actuarial differences

Unrecognized actuarial differences are treated as an expense and recognized from the following consolidated fiscal year on a straight-line basis over 5 years within the average remaining service period when incurred.

(c) Adoption of the simplified method in some consolidated subsidiaries

In the calculation of retirement benefit costs and liabilities, some consolidated subsidiaries adopt the simplified method, by which total payments pertaining to retirement benefits as required for personal reasons as of the end of the term are treated as retirement benefit obligations.

In May 2012, the Accounting Standards Board of Japan (ASBJ) issued ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," which replaced the accounting standard for retirement benefits that had been issued by the Business Accounting Council in 1998 with an effective date of April 1, 2000, and the other related practical guidance, and were followed by partial amendments from time to time through 2009.

(a) Under the revised accounting standard, actuarial differences and past service costs that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income), after adjusting for tax effects, and any resulting deficit or surplus is recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits).

(b) The revised accounting standard does not change how to recognize actuarial differences and past service costs in profit or loss. Those amounts are recognized in profit or loss over a certain period no longer than the expected average remaining service period of the employees. However, actuarial differences and past service costs that arose in the current period and have not yet been recognized in profit or loss are included in other comprehensive income and actuarial differences and past service costs that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period shall be treated as reclassification adjustments (see Note 12).

(c) The revised accounting standard also made certain amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases.

This accounting standard and the guidance for (a) and (b) above are effective for the end of annual periods beginning on or after April 1, 2013, and for (c) above are effective for the beginning of annual periods beginning on or after April 1, 2014, or for the beginning of annual periods beginning on or after April 1, 2015, subject to certain disclosure in March 2015, both with earlier application being permitted from the beginning of annual periods beginning on or after April 1, 2013. However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required.

The Company applied the revised accounting standard and guidance for retirement benefits for (a) and (b) above, effective March 31, 2014, and for (c) above, effective April 1, 2014.

With respect to (c) above, the Company changed the method of attributing the expected benefit to periods from a straight-line basis to a benefit formula basis, the method of determining the discount rate from using the period which approximates the expected average remaining service period to using a single weighted average discount rate reflecting the estimated timing and amount of benefit payment and the method of estimating expected future salary increases from salary increases “expected to be certain” to salary increases “expected”, and recorded the effect of (c) above as of April 1, 2014, in retained earnings. As a result, reserve for employees’ retirement benefits as of April 1, 2014, increased by ¥1,823 million (\$15,173 thousand), and retained earnings as of April 1, 2014, decreased by ¥1,331 million (\$11,077 thousand).

(13) Reserve for Directors’ and Audit & Supervisory Board Members’ Retirement Benefits

Some of the Company’s subsidiaries also provide for the liability for directors’ and audit & supervisory board members’ severance indemnities in an amount determined by the Company’s internal regulations for such severance indemnities.

(14) Allowance for Environmental Measures

The Group adopted the Act Concerning Special Measures against PCB Waste (Act No. 65 of June 22, 2001) and recorded the estimated cost for the disposal of polychlorinated biphenyl waste. Those amounts are included in other long-term liabilities in the consolidated balance sheet.

(15) Construction Contracts

The construction revenue and construction costs are recognized by the percentage-of-completion method if the outcome of a construction contract can be estimated reliably. When total construction revenue, total construction costs and the stage of completion of the contract at the balance sheet date can be reliably measured, the outcome of a construction contract can be estimated reliably. If the outcome of a construction contract cannot be reliably estimated, the completed-contract method should be applied.

Notes to Consolidated Financial Statements

(16) Foreign Currency Translations

All monetary assets and liabilities denominated in foreign currencies, whether long-term or short-term, are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Resulting gains and losses are included in net profit or loss for the period.

Assets and liabilities, and revenues and expenses of foreign subsidiaries are converted into Japanese yen at the spot exchange rates prevailing on the balance sheet date of the foreign subsidiaries in question, and translation differences are included as minority interests and foreign currency translation adjustments in equity.

(17) Derivatives and Hedging Activities

The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange, interest, and nonferrous metal rates.

Foreign exchange forward contracts, interest rate swaps, and nonferrous metal forward contracts are utilized by the Group to reduce foreign currency exchange, interest, and nonferrous metal rate risks. The Group does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows:

- a) All derivatives are recognized as either assets or liabilities and measured at fair value and gains or losses on derivative transactions are recognized in the consolidated statement of income; and
- b) For derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The foreign exchange forward contracts employed to hedge foreign exchange exposures for export sales and import purchases are measured at fair value and the unrealized gains or losses are mainly recognized in income.

Forward contracts applied for forecasted (or committed) transactions are also measured at fair value, but the unrealized gains or losses are deferred until the underlying transactions are completed.

The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements is recognized and included in interest expense or income.

(18) Accounting Treatment for Consumption Tax

All transactions are recorded net of consumption tax.

(19) Consolidated Tax Return

The Group files a tax return under the consolidated corporate-tax system, which allows companies to base tax payments on the combined profits or losses of the parent company and its wholly owned domestic subsidiaries.

(20) Net Income per Share

Basic net income per share is based on the weighted-average number of shares of common stock of the Company issued and outstanding during the respective year.

(21) New Accounting Pronouncements

Accounting Standards for Business Combinations and Consolidated Financial Statements— In September, 2013, the ASBJ issued revised ASBJ Statement No. 21, "Accounting Standard for Business Combinations," revised ASBJ Guidance No. 10, "Guidance on Accounting Standards for Business Combinations and Business Divestitures," and revised ASBJ Statement No. 22, "Accounting Standard for Consolidated Financial Statements." Major accounting changes are as follows:

(a) Transactions with noncontrolling interest

A parent's ownership interest in a subsidiary might change if the parent purchases or sells ownership interests in its subsidiary. The carrying amount of minority interest is adjusted to reflect the change in the parent's ownership interest in its subsidiary while the parent retains its controlling interest in its subsidiary. Under the current accounting standard, any difference between the fair value of the consideration received or paid and the amount by which the minority interest is adjusted is accounted for as an adjustment of goodwill or as profit or loss in the consolidated statement of income. Under the revised accounting standard, such difference shall be accounted for as capital surplus as long as the parent retains control over its subsidiary.

(b) Presentation of the consolidated balance sheet

In the consolidated balance sheet, "minority interest" under the current accounting standard will be changed to "noncontrolling interest" under the revised accounting standard.

(c) Presentation of the consolidated statement of income

In the consolidated statement of income, "income before minority interest" under the current accounting standard will be changed to "net income" under the revised accounting standard, and "net income" under the current accounting standard will be changed to "net income attributable to owners of the parent" under the revised accounting standard.

(d) Provisional accounting treatments for a business combination

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, an acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. Under the current accounting standard guidance, the impact of adjustments to provisional amounts recorded in a business combination on profit or loss is recognized as profit or loss in the year in which the measurement is completed. Under the revised accounting standard guidance, during the measurement period, which shall not exceed one year from the acquisition, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and that would have affected the measurement of the amounts recognized as of that date. Such adjustments shall be recognized as if the accounting for the business combination had been completed at the acquisition date.

(e) Acquisition-related costs

Acquisition-related costs are costs, such as advisory fees or professional fees, which an acquirer incurs to effect a business combination. Under the current accounting standard, the acquirer accounts for acquisition-related costs by including them in the acquisition costs of the investment. Under the revised accounting standard, acquisition-related costs shall be accounted for as expenses in the periods in which the costs are incurred.

The above accounting standards and guidance for (a) transactions with noncontrolling interest, (b) presentation of the consolidated balance sheet, (c) presentation of the consolidated statement of income, and (e) acquisition-related costs are effective for the beginning of annual periods beginning on or after April 1, 2015. Earlier application is permitted from the beginning of annual periods beginning on or after April 1, 2014, except for (b) presentation of the consolidated balance sheet and (c) presentation of the consolidated statement of income. In the case of earlier application, all accounting standards and guidance above, except for (b) presentation of the consolidated balance sheet and (c) presentation of the consolidated statement of income, should be applied simultaneously.

Either retrospective or prospective application of the revised accounting standards and guidance for (a) transactions with noncontrolling interest and (e) acquisition-related costs is permitted. In retrospective application of the revised standards and guidance, the accumulated effects of retrospective adjustments for all (a) transactions with noncontrolling interest and (e) acquisition-related costs which occurred in the past shall be reflected as adjustments to the beginning balance of capital surplus and retained earnings for the year of the first-time application. In prospective application, the new standards and guidance shall be applied prospectively from the beginning of the year of the first-time application.

The revised accounting standards and guidance for (b) presentation of the consolidated balance sheet and (c) presentation of the consolidated statement of income shall be applied to all periods presented in financial statements containing the first-time application of the revised standards and guidance.

The revised standards and guidance for (d) provisional accounting treatments for a business combination are effective for a business combination which occurs on or after the beginning of annual periods beginning on or after April 1, 2015. Earlier application is permitted for a business combination which occurs on or after the beginning of annual periods beginning on or after April 1, 2014.

The Company expects to apply the revised accounting standards and guidance for (a), (b), (c) and (e) above from April 1, 2015, and for (d) above for a business combination which will occur on or after April 1, 2015, and is in the process of measuring the effects of applying the revised accounting standards and guidance in future applicable periods.

Notes to Consolidated Financial Statements

3. Cash and Cash Equivalents

Cash and cash equivalents at March 31, 2015 and 2014, consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Cash and time deposits	¥8,517	¥5,857	\$70,876
Time deposits with deposit terms of over three months	(472)	(34)	(3,932)
Cash and cash equivalents	¥8,044	¥5,823	\$66,944

4. Investments

Investments at March 31, 2015 and 2014, consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Investments in and advances to nonconsolidated subsidiaries and affiliates	¥37,332	¥34,066	\$310,663
Available-for-sale securities with market quotations	32,721	26,481	272,290
Unlisted securities	2,167	1,942	18,039
Total	¥72,221	¥62,490	\$600,993

The net unrealized gains on the available-for-sale securities with market quotations as of March 31, 2015 and 2014, were ¥21,028 million (U.S. \$174,985 thousand) and ¥14,763 million, respectively.

Available-for-sale securities that the Group sold during the years ended March 31, 2015 and 2014, consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Proceeds from sales	¥223	¥106	\$1,858
Gain on sales	160	62	1,339
Loss on sales	—	—	—

5. Long-lived Assets

The Group reviewed its long-lived assets for impairment as of the years ended March 31, 2015 and 2014, and, as a result, recognized a loss on impairment of ¥536 million (U.S. \$4,462 thousand) and ¥52 million, respectively, as other expenses for idle assets, due to a decline of market value.

6. Short-term Borrowings and Long-term Debt

Short-term borrowings from banks and other financial institutions were represented by short-term borrowings bearing interest at 0.53% to 5.60% (an approximate average rate of 0.93%) per annum at March 31, 2015, and 0.48% to 10.30% (an approximate average rate of 0.99%) per annum at March 31, 2014, respectively.

Commercial paper from banks and other financial institutions were represented by commercial paper bearing interest at an approximate average rate of 0.09% per annum at March 31, 2015, and an approximate average rate of 0.09% per annum at March 31, 2014.

It is customary in Japan for short-term borrowings to be rolled over each year. At March 31, 2015 and 2014, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
0.10% to 10.25% loans, principally from banks and due between 2015 and 2030:			
Collateralized	¥18,381	¥22,704	\$152,959
Unsecured	25,063	31,109	208,565
0.20% straight bonds due 2019	10,000	—	83,215
1.01% straight bonds due 2014	—	10,000	—
Lease obligations	1,214	878	10,103
Total	54,658	64,693	454,844
Long-term debt, bonds, and lease obligations (due within one year)	15,549	26,022	129,397
Long-term debt (due after one year)	¥39,108	¥38,671	\$325,446

At March 31, 2015 and 2014, the following assets were pledged as collateral for short-term borrowings and the long-term debt of the Group:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Cash and time deposits	¥447	¥—	\$3,726
Property, plant, and equipment, less accumulated depreciation	253	256	2,109
Investments in and advances to affiliates	2,411	2,395	20,067
Investments in securities	4,072	4,222	33,890
Total	¥7,185	¥6,874	\$59,793

Annual maturities of long-term debt as of March 31, 2015, for the next five years and thereafter were as follows:

	Millions of yen	Thousands of U.S. dollars (Note 1)
2016	¥15,235	\$126,786
2017	11,358	94,524
2018	7,724	64,283
2019	4,755	39,572
2020 and thereafter	4,369	36,358
Total	¥43,444	\$361,524

Notes to Consolidated Financial Statements

7. Contingent Liabilities

At March 31, 2015 and 2014, the Group guaranteed loans incurred by nonconsolidated subsidiaries and affiliates in the amount of ¥3,824 million (U.S. \$31,822 thousand) and ¥5,377 million, respectively.

The Company sold notes and accounts receivable amounts to a finance company. As part of the finance agreement, under certain circumstances, the Company has the obligation to repurchase these amounts. At March 31, 2015 and 2014, in connection with this structured finance agreement and the maximum repurchase commitment, the Company's exposure was ¥580 million (U.S. \$4,832 thousand) and ¥470 million, respectively.

8. Equity

Japanese companies are subject to the Corporate Law of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. For companies that meet certain criteria, such as: (1) having a board of directors, (2) having independent auditors, (3) having an audit & supervisory board, and (4) the term of service of the directors is prescribed as one year rather than the two years of normal term by its articles of incorporation, the board of directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation.

The Company meets all the above criteria.

Semiannual interim dividends may also be paid once a year upon resolution by the board of directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of equity after dividends must be maintained at no less than ¥3 million.

(b) Increases/decreases and transfer of common stock, reserve, and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock.

Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus, and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the board of directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders, which is determined by a specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

9. Income Taxes

Income taxes applicable to the Company and its domestic consolidated subsidiaries consist of corporation tax, inhabitants' tax, and enterprise tax, which in the aggregate resulted in a normal effective statutory tax rate of approximately 35.0% and 37.0% for 2015 and 2014, respectively.

The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. 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 and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

At March 31, 2015 and 2014, the significant components of deferred tax assets and liabilities were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Deferred tax assets			
Reserve for employees' retirement benefits	¥4,646	¥4,161	\$38,665
Consolidated subsidiaries' deficit	3,882	6,194	32,306
Unrealized earnings	2,713	2,753	22,576
Loss on devaluation of investment securities	2,386	1,905	19,858
Loss on devaluation of inventories	1,542	1,212	12,838
Loss on impairments of property, plant, and equipment	1,375	1,334	11,443
Accrued bonus	1,199	1,178	9,979
Accrued enterprise tax	582	445	4,843
Loss on disposal of property, plant, and equipment	332	417	2,770
Reserve for directors' and audit & supervisory board members' retirement benefits	226	208	1,883
Excess depreciation	167	128	1,396
Deferred losses on derivatives under hedge accounting	93	0	774
Allowance for doubtful accounts	64	53	540
Unrealized gains on available-for-sale securities	—	5	—
Others	3,296	3,337	27,430
Total	22,508	23,337	187,308
Valuation allowance	(9,780)	(11,425)	(81,385)
Deferred tax assets	12,728	11,912	105,923
Deferred tax liabilities			
Unrealized gains on available-for-sale securities	(5,976)	(4,514)	(49,731)
Unrealized gains on land	(765)	(818)	(6,374)
Special depreciation reserve	(10)	(15)	(90)
Enterprise tax receivable	(7)	(3)	(61)
Deferred gains on derivatives under hedge accounting	(0)	(166)	(4)
Others	(1,767)	(1,094)	(14,707)
Deferred tax liabilities	(8,528)	(6,612)	(70,969)
Net deferred tax assets	¥4,200	¥5,299	\$34,953

The components of net deferred tax assets (liabilities) at March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Deferred tax assets, current	¥5,248	¥4,713	\$43,675
Deferred tax assets, noncurrent	3,372	3,527	28,060
Deferred tax liabilities, noncurrent	(4,420)	(2,940)	(36,782)

Notes to Consolidated Financial Statements

For the year ended March 31, 2014, the reconciliation of the normal effective statutory tax rate to the actual effective tax rate was as follows:

	2014
Normal effective statutory tax rate	37.0%
Valuation allowance	(6.6)
Equity in earnings of affiliates	(2.8)
Tax credits	(1.4)
Nontaxable items, including dividend income	(0.3)
Difference of tax rate on special corporate tax for reconstruction	0.7
Nondeductible items, including entertainment expenses	0.7
Inhabitants' tax	0.3
Others	1.2
Actual effective tax rate	28.9%

(Note) For the year ended March 31, 2015, the difference between the normal effective statutory tax rate and the actual effective tax rate after the application of deferred tax accounting was less than 5% of the normal effective statutory tax rate. Accordingly, disclosure of the reconciliation has been omitted.

New tax reform laws enacted in 2015 in Japan changed the normal effective statutory tax rate for the fiscal year beginning on or after April 1, 2015, to approximately 33.5% and for the fiscal year beginning on or after April 1, 2016, to approximately 32.75%. The effect of these changes was to increase deferred tax assets, net of deferred tax liabilities, by ¥61 million (U.S. \$514 thousand), accumulated other comprehensive income for unrealized gain on available-for-sale securities by ¥409 million (U.S. \$3,408 thousand), deferred loss on derivatives under hedge accounting by ¥1 million (U.S. \$15 thousand), in related deferred tax liability, in the consolidated balance sheet as of March 31, 2015, and to increase income taxes—deferred in the consolidated statement of income for the year then ended by ¥345 million (U.S. \$2,877 thousand).

10. Research and Development Expenses

Research and development expenses for the years ended March 31, 2015 and 2014, were ¥4,199 million (U.S. \$34,947 thousand) and ¥4,078 million, respectively.

11. Leases

(1) As discussed in Note 2. (8), the Group accounts for leases, which existed at March 31, 2008, and which do not transfer ownership of the leased property to the lessee as operating lease transactions.

Pro forma information of such leases existing at March 31, 2008, such as acquisition cost, accumulated depreciation, obligations under finance leases, and depreciation expense, on an "as if capitalized" basis for the years ended March 31, 2015 and 2014, is as follows:

	Millions of yen						Thousands of U.S. dollars (Note 1)		
	2015			2014			2015		
	Machinery and equipment	Others	Total	Machinery and equipment	Others	Total	Machinery and equipment	Others	Total
Acquisition cost	¥240	¥55	¥296	¥240	¥114	¥355	\$2,002	\$463	\$2,466
Accumulated depreciation	240	55	296	232	109	342	2,002	463	2,466
Net book value	¥—	¥—	¥—	¥8	¥5	¥13	\$—	\$—	\$—

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Lease rental expenses for the year	¥13	¥21	\$109
Depreciation expense	13	21	109

The amounts of outstanding future lease payments under finance leases due at March 31, 2015 and 2014, including the portion of interest thereon, are summarized as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Future lease payments			
Within one year	¥—	¥13	\$—
Over one year	—	—	—
Total	¥—	¥13	\$—

(2) The amounts of outstanding future leases payable and receivable payments under noncancelable operating leases due at March 31, 2015 and 2014, are summarized as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Operating leases (lessee)			
Within one year	¥250	¥110	\$2,083
Over one year	868	605	7,226
Total	¥1,118	¥716	\$9,310

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Operating leases (lessor)			
Within one year	¥35	¥35	\$291
Over one year	29	56	244
Total	¥64	¥91	\$536

12. Employees' Retirement Benefit Plan

The Company and its consolidated subsidiaries have adopted lump-sum benefit plans as their defined benefit pension plans. In addition, the Company and certain consolidated subsidiaries have adopted contributory defined benefit pension plans. Meanwhile, certain consolidated subsidiaries have adopted the Smaller Enterprise Retirement Allowance Mutual Aid (SERAMA) Scheme. Moreover, the payment of a premium severance amount that falls outside the scope of retirement benefit obligations based on computations that comply with accounting standards for retirement benefits may arise at the time of an employee's retirement.

Further, the lump-sum benefit plans adopted by certain consolidated subsidiaries calculate the liabilities for employees' retirement benefits and retirement benefit expenses using the simplified method.

Notes to Consolidated Financial Statements

(1) The changes in defined benefit obligations relating to defined benefit plans in the consolidated fiscal years ended March 31, 2015 and 2014, are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Balance at beginning of year (as previously reported)	¥6,677	¥6,327	\$55,569
Cumulative effect of accounting change	1,823	—	15,173
Balance at beginning of year (as restated)	8,501	6,327	70,742
Service cost	591	433	4,923
Interest expense	75	104	624
Actuarial difference	55	55	460
Benefit paid	(432)	(269)	(3,601)
Other	6	26	56
Balance at end of year	¥8,797	¥6,677	\$73,204

(2) Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets is as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Funded defined benefit obligation	¥—	¥—	\$—
Plan assets	—	—	—
Unfunded defined benefit obligation	8,797	6,677	73,204
Net liability arising from defined benefit obligation	¥8,797	¥6,677	\$73,204

(3) The components of net periodic benefit costs for the years ended March 31, 2015 and 2014, are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Service cost	¥591	¥433	\$4,923
Interest expense	75	104	624
Recognized actuarial differences	210	202	1,750
Other	0	4	4
Net periodic benefit costs	¥877	¥744	\$7,302

(4) Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2015 and 2014, are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Actuarial differences	¥130	¥—	\$1,083
Total	¥130	¥—	\$1,083

(5) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2015 and 2014, are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Unrecognized actuarial difference	¥498	¥628	\$4,146
Total	¥498	¥628	\$4,146

(6) Matters concerning the assumptions to the main actuarial calculations related to defined benefit plans as of March 31, 2015 and 2014, are as follows:

	2015	2014
Discount rate	0.88%	1.54%

The Company uses the index of salary increases by age at March 31, 2015 as the expected rate of future salary increases.

(Note) Excluding plans applying the simplified method

(7) The changes in defined benefit obligations related to defined benefit plans to which the simplified method is applied in the consolidated fiscal year ended March 31, 2015 and 2014, are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Balance at beginning of year	¥5,552	¥5,492	\$46,206
Retirement benefit expenses	521	527	4,342
Benefit paid	(363)	(438)	(3,020)
Other	(0)	(29)	(0)
Balance at end of year	¥5,711	¥5,552	\$47,526

(8) Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets that apply the simplified method as of March 31, 2015 and 2014 is as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Funded defined benefit obligation	¥—	¥—	\$—
Plan assets	—	—	—
Unfunded defined benefit obligation	5,711	5,552	47,526
Net liability arising from defined benefit obligation	¥5,711	¥5,552	\$47,526

(9) The retirement benefit costs related to defined benefit plans calculated by the simplified method in the consolidated fiscal years ended March 31, 2015 and 2014, are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Retirement benefit costs calculated by simplified method	¥521	¥554	\$4,342

Notes to Consolidated Financial Statements

(10) The required contributions to defined contribution plans of the Company and its consolidated subsidiaries in the consolidated fiscal years ended March 31, 2015 and 2014, are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Required contributions to defined contribution plans	¥458	¥444	\$3,815

13. Loss on Devaluation of Inventories

The Group recorded the following loss on devaluation of inventories held for ordinary sales purposes due to impairments reflecting a drop in profitability for the years ended March 31, 2015 and 2014:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Cost of sales	¥773	¥1,279	\$6,432

14. Financial Instruments

(1) Status of Financial Instruments

(a) Policy on financial instruments

The Group manages its funds using short-term deposits and bond repurchase agreements.

Financial instruments used for financing are mainly bank loans and other instruments, including corporate bonds and electronic commercial paper, based on the Group's policy of diversifying the financing methods, sources, and maturities, etc.

Derivatives are used to avoid the market fluctuation risks of interest on borrowings and the sale and purchase prices of inventories, etc., only within the range of the hedged items, and the Group's policy is to not use derivatives for speculative purposes.

(b) Nature, extent of risks, and risk management for financial instruments

Notes and accounts receivable, which are operating receivables, are exposed to customer credit risk. The Group manages the credit risk of receivables by monitoring the payment terms and balances for each customer.

Listed securities, which are among the equity instruments in investments in securities, are exposed to the risks of market price fluctuations. The Group has a system to periodically monitor and assess the fair values of listed securities, although the securities are held neither for pure investment purposes nor short-term trading purposes.

Payment terms of notes and accounts payable, which are operating debt, are mostly less than one year.

Borrowings are exposed to liquidity risk and interest rate risk. In order to mitigate these risks, the Group uses multiple financial institutions and staggers the redemption dates of loans. With regard to a portion of long-term debt, the Group uses interest rate swaps as hedging instruments to avoid fluctuation risks of interest rates. The Group periodically compiles cash flow plans and its performance, and the status of financing is reported at the management meeting monthly.

In addition to interest rate swaps, the Group enters into derivative financial instruments, namely foreign exchange forward contracts and nonferrous metal forward contracts. The former are used to avoid risks of foreign exchange fluctuations associated with the sale of finished products and purchases of inventories (mainly imported raw materials), which are denominated in foreign currencies. The latter are used to avoid fluctuation risks in market prices for raw materials and finished goods that are influenced by nonferrous metal rates.

Monthly meetings are held regarding derivative transactions, with attendance of directors who are in charge of hedge transactions and the head of each business division. At the meetings, the implementation policies for hedge transactions are determined, the execution of derivative transactions is managed and reported, and hedge effectiveness is evaluated. In accordance with the policies, each derivative transaction is executed based on internal guidelines, which regulate the credit limit amount and procedures of transactions and reporting. The evaluation of hedge effectiveness is omitted for interest rate swaps as the swaps qualify for hedge accounting and meet specific matching criteria for interest rate swaps. The Group has a policy to diversify transactions through multiple counterparties with high credit standings in order to mitigate credit risk.

(c) Supplementary explanation to fair values of financial instruments

Fair values of financial instruments are based on quoted prices in active markets. If a quoted price is not available, other rational valuation techniques are used instead. Such techniques include variable factors and the results of valuation may differ depending on prerequisites. The contracted amounts related to derivatives, mentioned in 15. Derivatives, in and of themselves should not be considered indicative of the market risks associated with the derivatives.

(2) Fair Value of Financial Instruments

The table below shows the amounts of financial instruments recorded in the consolidated balance sheet and their fair values as of March 31, 2015 and 2014, as well as their differences between the balance sheet amounts and the fair values. Financial instruments whose fair value is deemed extremely difficult to assess are not included (refer to (b) below).

As of March 31, 2015	Millions of yen			Thousands of U.S. dollars (Note 1)		
	Carrying amount	Fair value	Unrealized gains (losses)	Carrying amount	Fair value	Unrealized gains (losses)
(1) Cash and time deposits	¥8,517	¥8,517	¥—	\$70,876	\$70,876	\$—
(2) Notes and accounts receivable (*1)	73,126	73,126	—	608,528	608,528	—
(3) Investments in securities (*2)	48,108	51,451	3,343	400,335	428,157	27,822
Total	¥129,752	¥133,095	¥3,343	\$1,079,739	\$1,107,562	\$27,822
(1) Notes and accounts payable (*3)	31,041	31,041	—	258,315	258,315	—
(2) Commercial paper	18,000	18,000	—	149,787	149,787	—
(3) Short-term borrowings	15,223	15,223	—	126,684	126,684	—
(4) Long-term debt (including repayments due within one year) (*4)	53,444	53,500	56	444,740	445,210	469
Total	¥117,709	¥117,766	¥56	\$979,528	\$979,998	\$469
Derivatives (*5)	¥(755)	¥(755)	¥—	\$(6,283)	\$(6,283)	\$—

Notes to Consolidated Financial Statements

As of March 31, 2014	Millions of yen		
	Carrying amount	Fair value	Unrealized gains (losses)
(1) Cash and time deposits	¥5,857	¥5,857	¥—
(2) Notes and accounts receivable (*1)	71,838	71,838	—
(3) Investments in securities (*2)	41,767	39,005	(2,762)
Total	¥119,463	¥116,701	¥(2,762)
(1) Notes and accounts payable (*3)	34,502	34,502	—
(2) Commercial paper	10,000	10,000	—
(3) Short-term borrowings	25,848	25,848	—
(4) Long-term debt (including repayments due within one year) (*4)	63,814	64,810	995
Total	¥134,165	¥135,161	¥995
Derivatives (*5)	¥(547)	¥(547)	¥—

(*1) Assets (2): Notes and accounts receivable as of March 31, 2015 and 2014, stated above are obtained by subtracting advances paid of ¥367 million (U.S. \$3,056 thousand) and ¥520 million, accounts receivable—other of ¥5,758 million (U.S. \$47,917 thousand) and ¥7,591 million, and loans of ¥274 million (U.S. \$2,286 thousand) and ¥466 million from the amount of notes and accounts receivable of ¥79,527 million (U.S. \$661,788 thousand) and ¥80,416 million, presented in the consolidated balance sheet.

(*2) Assets (3): Investments in securities as of March 31, 2015 and 2014, stated above are obtained by subtracting financial instruments whose fair values are deemed extremely difficult to assess of ¥22,655 million (U.S. \$188,524 thousand) and ¥19,845 million and long-term loans of ¥1,456 million (U.S. \$12,121 thousand) and ¥878 million from the sum of investments in securities of ¥34,888 million (U.S. \$290,329 thousand) and ¥28,423 million, and investments in and advances to nonconsolidated subsidiaries and affiliates of ¥37,332 million (U.S. \$310,663 thousand) and ¥34,066 million presented in the consolidated balance sheet.

(*3) Liabilities (1): Notes and accounts payable as of March 31, 2015 and 2014, stated above are obtained by subtracting accounts payable—other of ¥5,617 million (U.S. \$46,744 thousand) and ¥3,711 million and deposits received of ¥468 million (U.S. \$3,899 thousand) and ¥541 million from notes and accounts payable of ¥37,127 million (U.S. \$308,959 thousand) and ¥38,755 million presented in the consolidated balance sheet.

(*4) Liabilities (4): Long-term debt as of March 31, 2015 and 2014, stated above is obtained by subtracting lease obligations of ¥1,214 million (U.S. \$10,103 thousand) and ¥878 million from the sum of current maturities of long-term debt of ¥15,549 million (U.S. \$129,397 thousand) and ¥26,022 million and long-term debt of ¥39,108 million (U.S. \$325,446 thousand) and ¥38,671 million presented in the consolidated balance sheet.

(*5) Derivative transactions stated above are stated net of assets and liabilities.

(a) Fair value measurement of financial instruments and matters regarding securities and derivatives

Assets

(1) Cash and time deposits and (2) Notes and accounts receivable

The fair value of these accounts approximates their book value because of their short maturities. Thus, the book value is used as fair value.

(3) Investments in securities

The fair value of equity instruments is measured using market prices from stock exchanges.

Liabilities

(1) Notes and accounts payable, (2) Commercial paper, and (3) Short-term borrowings

The fair value of these accounts approximates their book value because of their short maturities. Thus, the book value is used as fair value.

(4) Long-term debt (including repayment due within one year)

The fair value of this account is calculated by discounting the total of interest and principal by an interest rate assuming new borrowings of similar amounts are taken out. Long-term debt with variable interest rates qualifies for special treatment under hedge accounting (refer to Note 15. Derivatives). The fair value of these accounts is calculated by discounting the total of interest and principal, including the relevant interest rate swap, by an interest rate reasonably estimated assuming similar borrowings are taken out.

Derivatives

Refer to Note 15. Derivatives.

(b) Financial instruments whose fair value is deemed extremely difficult to measure

Classification	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Unlisted securities and others (carrying amount)	¥22,655	¥19,845	\$188,524

These financial instruments are not included in Assets (3) Investments in securities, as they have no quoted market prices and it is deemed extremely difficult to measure their fair values.

(c) Maturity analysis for financial assets with contractual maturities

As of March 31, 2015	Millions of yen			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and time deposits	¥1,252	¥—	¥—	¥—
Notes and accounts receivable	73,126	—	—	—
Total	¥74,379	¥—	¥—	¥—

As of March 31, 2015	Thousands of U.S. dollars (Note 1)			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and time deposits	\$10,421	\$—	\$—	\$—
Notes and accounts receivable	608,528	—	—	—
Total	\$618,949	\$—	\$—	\$—

As of March 31, 2014	Millions of yen			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and time deposits	¥41	¥—	¥—	¥—
Notes and accounts receivable	71,838	—	—	—
Total	¥71,879	¥—	¥—	¥—

(d) Maturity analysis for long-term debt

See Note 6. Short-term Borrowings and Long-term Debt

15. Derivatives

The Group had the following derivative contracts outstanding at March 31, 2015 and 2014:

(1) Derivative Transactions to which Hedge Accounting is Not Applied

Currency-related transactions (2015)

Transactions not conducted on the open market

Type	Millions of yen				Thousands of U.S. dollars (Note 1)			
	Contract amount	Over one year	Fair value	Unrealized gains/losses	Contract amount	Over one year	Fair value	Unrealized gains/losses
Forward Exchange Contract Transactions								
Selling								
U.S.\$	¥17,882	¥—	¥(222)	¥(222)	\$148,812	\$—	\$(1,847)	\$(1,847)
Thai Baht	761	—	(46)	(46)	6,334	—	(387)	(387)
Total	¥—	¥—	¥—	¥(268)	\$—	\$—	\$—	\$(2,235)

Notes to Consolidated Financial Statements

Commodity-related transactions (2015)

Transactions not conducted on the open market

Type	Millions of yen				Thousands of U.S. dollars (Note 1)			
	Contract amount	Over one year	Fair value	Unrealized gains/losses	Contract amount	Over one year	Fair value	Unrealized gains/losses
Nonferrous Metal								
Forward Contracts								
Selling								
Gold	¥501	¥—	¥(4)	¥(4)	\$4,169	\$—	\$(35)	\$(35)
Silver	2,830	—	(22)	(22)	23,556	—	(190)	(190)
Zinc	425	—	(4)	(4)	3,537	—	(34)	(34)
Copper	12,194	—	(85)	(85)	101,479	—	(715)	(715)
Lead	6	—	(0)	(0)	53	—	(0)	(0)
Nickel	41	—	4	4	341	—	41	41
Buying								
Copper	10,237	—	(108)	(108)	85,194	—	(906)	(906)
Total	¥—	¥—	¥—	¥(221)	\$—	\$—	\$—	\$(1,842)

Currency-related transactions (2014)

Transactions not conducted on the open market

Type	Millions of yen			
	Contract amount	Over one year	Fair value	Unrealized gains/losses
Forward Exchange				
Contract Transactions				
Selling				
U.S.\$	¥8,287	¥—	¥15	¥15
Thai Baht	239	—	(7)	(7)
Buying				
U.S.\$	381	—	3	3
Total	¥—	¥—	¥—	¥10

Commodity-related transactions (2014)

Transactions not conducted on the open market

Type	Millions of yen			
	Contract amount	Over one year	Fair value	Unrealized gains/losses
Nonferrous Metal				
Forward Contracts				
Selling				
Gold	¥2,007	¥—	¥47	¥47
Silver	3,103	—	60	60
Zinc	402	—	6	6
Copper	11,062	—	592	592
Nickel	50	—	(6)	(6)
Buying				
Copper	9,697	—	(613)	(613)
Total	¥—	¥—	¥—	¥86

(Note) Fair value was calculated using quotations obtained from the commodity futures market and the exchange futures market as of March 31, 2015 and 2014.

(2) Derivative Transactions to which Hedge Accounting is Applied

Currency-related transactions (2015)

Transactions not conducted on the open market

Treatment	Type	Hedged item	Millions of yen			Thousands of U.S. dollars (Note 1)			
			Contract amount	Over one year	Fair value	Contract amount	Over one year	Fair value	
Standard treatment	Forward exchange contract transactions	Accounts receivable							
			Selling U.S.\$	¥701	¥—	¥(4)	\$5,838	\$—	\$(35)
			Thai Baht	216	—	(5)	1,797	—	(42)
Currency swaps under designated hedge accounting	Forward exchange contract transactions	Accounts receivable							
			Selling U.S.\$	¥1,454	¥—	(*1)	\$12,104	\$—	(*1)
			Thai Baht	894	—	(*1)	7,446	—	(*1)
Total			¥—	¥—	¥—	\$—	\$—	\$—	

Interest-related transactions (2015)

Transactions not conducted on the open market

Treatment	Type	Hedged item	Millions of yen			Thousands of U.S. dollars (Note 1)		
			Contract amount	Over one year	Fair value	Contract amount	Over one year	Fair value
Interest rate swaps under special accounting treatment	Interest rate swaps	Long-term debt						
			Fixed rate payment, Floating rate receipt	¥19,877	¥17,752	(*2)	\$165,408	\$147,724
Total			¥—	¥—	¥—	\$—	\$—	\$—

Commodity-related transactions (2015)

Transactions not conducted on the open market

Treatment	Type	Hedged item	Millions of yen			Thousands of U.S. dollars (Note 1)			
			Contract amount	Over one year	Fair value	Contract amount	Over one year	Fair value	
Standard treatment	Nonferrous Metal Forward Contracts	Inventory							
			Selling						
			Gold	¥5,276	¥—	¥10	\$43,908	\$—	\$90
			Silver	6,757	—	(74)	56,234	—	(616)
			Zinc	8,662	—	(16)	72,086	—	(137)
			Copper	5,699	—	(300)	47,432	—	(2,502)
			Lead	122	—	(1)	1,017	—	(9)
			Buying						
			Silver	¥590	¥—	¥11	\$4,912	\$—	\$92
			Zinc	571	—	2	4,757	—	24
Copper	4,467	—	111	37,177	—	929			
Total			¥—	¥—	¥—	\$—	\$—	\$—	

Notes to Consolidated Financial Statements

Currency-related transactions (2014)

Transactions not conducted on the open market

Treatment	Type	Hedged item	Millions of yen		
			Contract amount	Over one year	Fair value
Standard treatment	Forward exchange contract transactions Selling U.S.\$	Accounts receivable	¥658	¥—	¥(1)
Currency swaps under designated hedge accounting	Forward exchange contract transactions Selling U.S.\$ Euro Thai Baht		¥1,688 16 864	— — —	(*1) (*1) (*1)
Total			¥—	¥—	¥—

Interest-related transactions (2014)

Transactions not conducted on the open market

Treatment	Type	Hedged item	Millions of yen		
			Contract amount	Over one year	Fair value
Interest rate swaps under special accounting treatment	Interest rate swaps Fixed rate payment, Floating rate receipt	Long-term debt	¥24,919	¥23,885	(*2)
Total			¥—	¥—	¥—

Commodity-related transactions (2014)

Transactions not conducted on the open market

Treatment	Type	Hedged item	Millions of yen		
			Contract amount	Over one year	Fair value
Standard treatment	Nonferrous Metal Forward Contracts Selling Gold Silver Zinc Copper Lead Buying Silver Zinc Copper	Inventory	¥6,368 7,923 6,854 9,855 21 608 436 4,227	¥— — — — — — — —	¥(100) 203 53 392 0 (33) (0) (63)
Total			¥—	¥—	¥—

(Note) Fair value was calculated using quotations obtained from the commodity futures market and the exchange futures market as of March 31, 2015 and 2014.

(*1) The fair values of currency swaps under designated hedge accounting are included in the fair values of accounts receivable because they are accounted for as an integral part of accounts receivable, which are hedged items.

(*2) The fair values of interest rate swaps under special accounting treatment are included in the fair values of long-term debt because they are accounted for as an integral part of long-term debt, which are hedged items.

16. Comprehensive Income

The components of other comprehensive income for the years ended March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Unrealized gain on available-for-sale securities:			
Gain arising during the year	¥6,314	¥2,362	\$52,548
Reclassification adjustments to profit or loss	(55)	(17)	(463)
Amount before income tax effect	6,258	2,345	52,084
Income tax effect	(1,467)	(833)	(12,208)
Total	¥4,791	¥1,511	\$39,876
Deferred (loss) gain on derivatives under hedge accounting:			
Loss arising during the year	¥(2,068)	¥(5)	\$(17,212)
Reclassification adjustments to profit or loss	1,330	271	11,070
Amount before income tax effect	(738)	266	(6,141)
Income tax effect	230	(88)	1,914
Total	¥(508)	¥177	\$(4,227)
Foreign currency translation adjustments:			
Adjustments arising during the year	¥3,162	¥2,274	\$26,320
Reclassification adjustments to profit or loss	(139)	—	(1,157)
Amount before income tax effect	3,023	2,274	25,162
Income tax effect	—	—	—
Total	¥3,023	¥2,274	\$25,162
Defined retirement benefit plan			
Adjustments arising during the year	¥(56)	¥—	\$(470)
Reclassification adjustments to profit or loss	186	—	1,554
Amount before income tax effect	130	—	1,083
Income tax effect	(38)	—	(323)
Total	¥91	¥—	\$760
Share of other comprehensive income in associates:			
Gain arising during the year	¥1,214	¥2,368	\$10,107
Reclassification adjustments to profit or loss	(402)	(522)	(3,348)
Total	¥812	¥1,846	\$6,758
Total other comprehensive income	¥8,211	¥5,808	\$68,329

Notes to Consolidated Financial Statements

17. Subsequent Event

The following appropriation of retained earnings at March 31, 2015, was approved at the Board of Directors' meeting held on May 19, 2015:

	Millions of yen	Thousands of U.S. dollars (Note 1)
Year-end cash dividends, ¥18 (U.S. \$0.1) per share	¥5,409	\$45,013

18. Segment Information

(1) Outline of reporting segments

The Company's reporting segments are the components of the Group about which separate financial information is available. These segments are subject to periodic examinations to enable the Company's Board of Directors to decide how to allocate resources and assess performance.

The Company's operations are classified into five product and service segments based on its operating companies. Each segment's businesses are as follows.

In the Environmental Management & Recycling segment, the Group conducts waste treatment, soil remediation, resource recycling, logistics, and other operations.

In the Nonferrous Metals segment, the Group produces and sells copper, zinc, lead, gold, silver, zinc alloys, platinum, palladium, rhodium, indium, sulfuric acid, tin, antimony, and other materials.

In the Electronic Materials segment, the Group produces and sells high-purity metal materials, compound semiconductor wafers, LEDs, conductive materials, battery materials, magnetic materials, reduced iron powder, and other materials.

In the Metal Processing segment, the Group produces and sells copper, brass and copper alloy strips, electroplated products, brass rods, metal-ceramic substrates, and other materials.

In the Heat Treatment segment, the Group provides heat and surface treatment of metallic materials, such as automobile components, and manufactures, sells, and provides maintenance of industrial furnaces and ancillary equipment.

(2) Method for calculating sales, income and loss, assets and liabilities, and other amounts by the reporting segment

The accounting treatment and methods for the reporting segments are largely consistent with Note 1. Basis of Presentation of the Consolidated Financial Statements, and Note 2. Summary of Significant Accounting Policies.

Segment income for each reporting segment is presented on an operating income basis.

Intersegment sales and transfers are measured based on prices that reflect actual market conditions.

(3) Information on sales, income and loss, assets and liabilities, and other amounts by reporting segment

Segment information as of March 31, 2015 and 2014, is summarized as follows:

Millions of yen

2015	Reporting segment									Reconciliations (*2)	Consolidated
	Environmen- tal Management & Recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Total	Others (*1)	Total			
Net sales											
Outside customers	¥65,671	¥209,796	¥71,580	¥87,670	¥27,344	¥462,062	¥2,157	¥464,219	¥—	¥464,219	
Intersegment	38,179	28,759	2,066	15	0	69,021	8,424	77,445	(77,445)	—	
Total	¥103,850	¥238,556	¥73,646	¥87,685	¥27,344	¥531,083	¥10,582	¥541,665	¥(77,445)	¥464,219	
Segment income (*3)	¥7,349	¥13,562	¥8,814	¥5,804	¥2,354	¥37,885	¥349	¥38,235	¥859	¥39,094	
Segment assets	83,806	141,926	45,204	57,222	37,270	365,429	7,574	373,004	6,189	379,193	
Other items											
Depreciation	4,651	3,427	2,534	2,217	1,838	14,669	205	14,875	697	15,572	
Amortization of goodwill	348	—	—	—	154	502	—	502	—	502	
Investment in equity-method affiliates	2,540	10,876	224	958	—	14,599	—	14,599	15,509	30,109	
Increase in property, plant, and equipment and intangible fixed assets	¥5,937	¥2,411	¥2,230	¥1,880	¥4,334	¥16,794	¥169	¥16,963	¥284	¥17,247	

Thousands of U.S. dollars (Note 1)

2015	Reporting segment									Reconciliations (*2)	Consolidated
	Environmen- tal Management & Recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Total	Others (*1)	Total			
Net sales											
Outside customers	\$546,484	\$1,745,834	\$595,656	\$729,551	\$227,546	\$3,845,073	\$17,951	\$3,863,024	\$—	\$3,863,024	
Intersegment	317,713	239,321	17,195	124	5	574,361	70,107	644,469	(644,469)	—	
Total	\$864,198	\$1,985,155	\$612,852	\$729,676	\$227,552	\$4,419,435	\$88,059	\$4,507,494	\$(644,469)	\$3,863,024	
Segment income (*3)	\$61,155	\$112,864	\$73,347	\$48,303	\$19,595	\$315,266	\$2,911	\$318,177	\$7,148	\$325,326	
Segment assets	697,398	1,181,045	376,167	476,177	310,149	3,040,938	63,033	3,103,971	51,504	3,155,475	
Other items											
Depreciation	38,707	28,519	21,094	18,455	15,298	122,075	1,711	123,787	5,800	129,588	
Amortization of goodwill	2,901	—	—	—	1,281	4,183	—	4,183	—	4,183	
Investment in equity-method affiliates	21,138	90,512	1,865	7,975	—	121,492	—	121,492	129,066	250,558	
Increase in property, plant, and equipment and intangible fixed assets	\$49,408	\$20,068	\$18,561	\$15,646	\$36,069	\$139,755	\$1,406	\$141,161	\$2,365	\$143,526	

Notes to Consolidated Financial Statements

2014	Millions of yen										
	Reporting segment						Total	Others (*1)	Total	Reconcili- ations (*2)	Consolidated
	Environmen- tal Management & Recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Total					
Net sales											
Outside customers	¥64,484	¥188,648	¥81,400	¥82,191	¥24,635	¥441,359	¥2,625	¥443,985	¥—	¥443,985	
Intersegment	36,944	28,965	1,846	12	0	67,769	7,416	75,186	(75,186)	—	
Total	¥101,429	¥217,614	¥83,246	¥82,204	¥24,635	¥509,129	¥10,042	¥519,171	¥(75,186)	¥443,985	
Segment income (*3)	¥9,493	¥7,058	¥6,715	¥5,392	¥2,262	¥30,924	¥195	¥31,120	¥674	¥31,794	
Segment assets	76,966	132,065	44,894	53,326	34,365	341,617	6,259	347,877	10,840	358,717	
Other items											
Depreciation	4,786	4,369	2,618	2,297	1,702	15,774	185	15,960	245	16,205	
Amortization of goodwill	381	—	—	—	137	519	—	519	—	519	
Investment in equity-method affiliates	2,230	10,101	202	945	—	13,480	—	13,480	15,408	28,888	
Increase in property, plant, and equipment and intangible fixed assets	¥5,653	¥1,666	¥3,171	¥2,714	¥1,924	¥15,131	¥329	¥15,460	¥1,089	¥16,549	

(*1) The Others segment comprises business operations that are not included in the reporting segments. These operations primarily comprise intergroup transactions, including real estate leasing, plant construction, civil engineering, construction and engineering, office administration services, technological development support, and other operations.

(*2) Reconciliations for the fiscal years ended March 31, 2015 and 2014, were as follows:

- (1) The reconciliations of ¥859 million (U.S. \$7,148 thousand) and ¥674 million to segment income include intersegment eliminations of ¥775 million (U.S. \$6,453 thousand) and ¥700 million, respectively, and reconciliations for intersegment unrealized earnings of ¥83 million (U.S. \$695 thousand) and unrealized losses of ¥25 million, respectively.
- (2) The reconciliations to segment assets of ¥6,189 million (U.S. \$51,504 thousand) and ¥10,840 million include corporate assets of ¥57,810 million (U.S. \$481,073 thousand) and ¥54,883 million that are not allocated to any reporting segment, respectively, and intersegment eliminations of ¥51,621 million (U.S. \$429,569 thousand) and ¥44,043 million, respectively. The main components of corporate assets are surplus working capital (cash and deposits), long-term investments (investments in securities), and assets of administrative departments.

(*3) Segment income is reconciled with operating income on the consolidated statement of income.

Related Information

1. Information by product and service (2015)

The Company has omitted disclosure here because equivalent information appears in the segment information.

2. Information by geographic region (2015)

(1) Net sales

Millions of yen						
Japan	North America	Europe	China	Asia (excluding Japan and China)	Other	Total
¥376,337	¥10,721	¥6,627	¥15,588	¥54,943	¥1	¥464,219

Thousands of U.S. dollars (Note 1)						
Japan	North America	Europe	China	Asia (excluding Japan and China)	Other	Total
\$3,131,709	\$89,221	\$55,150	\$129,720	\$457,215	\$8	\$3,863,024

(2) Total property, plant, and equipment

Millions of yen						
Japan	North America	Europe	China	Asia (excluding Japan and China)	Other	Total
¥88,454	¥1,848	¥323	¥2,540	¥14,509	¥—	¥107,675

Thousands of U.S. dollars (Note 1)						
Japan	North America	Europe	China	Asia (excluding Japan and China)	Other	Total
\$736,076	\$15,385	\$2,690	\$21,138	\$120,737	\$—	\$896,028

3. Information by major customer (2015)

Name of corporate customer	Net sales (Note 1)	Name of involved segment
TANAKA KIKINZOKU KOGYO K.K.	¥64,656 million (U.S. \$538,044 thousand)	Mainly the Nonferrous Metals segment

4. Information on impairment losses on fixed assets by reporting segment (2015)

Millions of yen										
Reporting segment										
2015	Environmental Management & Recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Total	Others	Total	Eliminations	Consolidated
Impairment losses on fixed assets	¥—	¥290	¥—	¥629	¥—	¥920	¥—	¥920	¥(383)	¥536

Thousands of U.S. dollars (Note 1)										
Reporting segment										
2015	Environmental Management & Recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Total	Others	Total	Eliminations	Consolidated
Impairment losses on fixed assets	\$—	\$2,418	\$—	\$5,240	\$—	\$7,658	\$—	\$7,658	\$(3,195)	\$4,462

5. Amortization of goodwill and unamortized balance of goodwill by reporting segment (2015)

Millions of yen										
Reporting segment										
2015	Environmental Management & Recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Total	Others	Total	Eliminations	Consolidated
Unamortized balance at fiscal year end	¥4,926	¥—	¥—	¥—	¥2,043	¥6,970	¥—	¥6,970	¥—	¥6,970

Thousands of U.S. dollars (Note 1)										
Reporting segment										
2015	Environmental Management & Recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Total	Others	Total	Eliminations	Consolidated
Unamortized balance at fiscal year end	\$40,997	\$—	\$—	\$—	\$17,007	\$58,004	\$—	\$58,004	\$—	\$58,004

Notes to Consolidated Financial Statements

1. Information by product and service (2014)

The Company has omitted disclosure here because equivalent information appears in the segment information.

2. Information by geographic region (2014)

(1) Net sales

Millions of yen						
Japan	North America	Europe	China	Asia (excluding Japan and China)	Other	Total
¥367,248	¥6,688	¥1,680	¥10,341	¥57,993	¥33	¥443,985

(2) Total property, plant, and equipment

Millions of yen						
Japan	North America	Europe	China	Asia (excluding Japan and China)	Other	Total
¥88,708	¥1,510	¥370	¥3,289	¥10,012	¥-	¥103,890

3. Information by major customer (2014)

Name of corporate customer	Net sales	Name of involved segment
TANAKA KIKINZOKU KOGYO K.K.	¥60,678 million	Mainly the Nonferrous Metals segment

4. Information on impairment losses on fixed assets by reporting segment (2014)

2014	Millions of yen									
	Reporting segment						Total	Others	Total	Eliminations
	Environmen- tal Management & Recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Total				
Impairment losses on fixed assets	¥-	¥3	¥-	¥28	¥-	¥32	¥-	¥32	¥20	¥52

5. Amortization of goodwill and unamortized balance of goodwill by reporting segment (2014)

2014	Millions of yen									
	Reporting segment						Total	Others	Total	Eliminations
	Environmen- tal Management & Recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Total				
Unamortized balance at fiscal year end	¥5,269	¥-	¥-	¥-	¥1,728	¥6,997	¥-	¥6,997	¥-	¥6,997

(Note) The Company has omitted disclosure of amortization of goodwill because equivalent information appears in the segment information.

Report of Independent Auditors

Deloitte.

Deloitte Touche Tohmatsu LLC
Shinagawa Intercity
2-15-3, Konan
Minato-ku, Tokyo 108-6221
Japan
Tel:+81 (3) 6720 8200
Fax:+81 (3) 6720 8205
www.deloitte.com/jp

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Dowa Holdings Co., Ltd.:

We have audited the accompanying consolidated balance sheet of Dowa Holdings Co., Ltd. and its consolidated subsidiaries as of March 31, 2015, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Dowa Holdings Co., Ltd. and its consolidated subsidiaries as of March 31, 2015, and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 24, 2015

Member of
Deloitte Touche Tohmatsu Limited

Subsidiaries and Affiliates

As of March 31, 2015

Name 77 Consolidated Subsidiaries and 15 Affiliates Accounted for by the Equity Method	Issued Share Capital (Millions of Yen)	Percentage Owned Directly or Indirectly by the Company (%) ^{*1}	Principal Business
Environmental Management & Recycling			
Dowa Eco-System Co., Ltd.	1,000	100	Waste treatment, soil remediation, and recycling
Eco-System Hanaoka Co., Ltd.	300	100	Soil remediation and waste treatment
Eco-System Recycling Co., Ltd.	300	100	Recovery of precious and nonferrous metals
Act-B Recycling Co., Ltd.	200	60	Recovery of discarded household appliances, personal computers, and other items
Eco-Recycle Co., Ltd.	150	67	Recovery of discarded household appliances, personal computers, and other items
Green Fill Kosaka Co., Ltd.	100	100	Waste treatment
Eco-System Okayama Co., Ltd.	100	100	Industrial waste treatment; recovery of ferrous and nonferrous metals
Eco-System Sanyo Co., Ltd.	100	100	Waste treatment and resources recycling
E&E Solutions Inc.	100	100	Comprehensive technological consulting in environmental management and energy
Geotechnos Co., Ltd.	100	100	Soil surveys and remediation projects, environmental consulting, etc.
Okayama Koyu Co., Ltd.	100	100	Industrial waste intermediate treatment, sales of recycled oil, real-estate leasing
Auto Recycle Akita Co., Ltd.	100	70	Recovery, scraping, and recycling of used cars
Biodiesel Okayama Co., Ltd.	99	100	Manufacturing of biodiesel
Eco-System Chiba Co., Ltd.	90	100	Industrial waste treatment
Meltec Co., Ltd.	90	100	Treatment and resource recycling of waste
Eco-System Akita Co., Ltd.	50	100	Waste treatment and resources recycling
Eco-System Kosaka Co., Ltd.	50	100	Industrial waste treatment; recovery of ferrous and nonferrous metals
Eco-System Japan Co., Ltd.	30	100	Operation of waste and resources recycling; collection and transportation of industrial waste
Dowa-Tsuun Co., Ltd.	20	100	Vehicle transportation, forwarding, and warehousing
Modern Asia Environmental Holdings, Inc.	16 million U.S. Dollars	100	Holdings company of waste treatment businesses
Eastern Seaboard Environmental Complex Co., Ltd.	100 million Thai Baht	100	Final treatment of harmless waste
Bangpoo Environmental Complex Ltd.	80 million Thai Baht	100	Incineration of harmless waste
Technochem Environmental Complex Pte. Ltd.	3 million Singapore Dollars	100	Incineration of harmful waste
PT. Prasadha Pamunah Limbah Industri	49,578 million Indonesia Rupiah	95	Final treatment of harmful and harmless waste
Dowa Environmental Management Co., Ltd.	13 million U.S. Dollars	90	Recovery of precious and nonferrous metals, recycling of discarded household appliances and electronic devices
DOWA ECO-SYSTEM SINGAPORE PTE. LTD.	3 million Singapore Dollars	100	Recovery of precious and nonferrous metals
Jiangxi Dowa Environmental Management Co., Ltd.	30 million Chinese Yuan	90	Recycling of discarded household appliances and electronic devices
Nonferrous Metals			
Dowa Metals & Mining Co., Ltd.	1,000	100	Manufacturing and sales of nonferrous, precious, and rare metals
Akita Zinc Co., Ltd.	5,000	86	Refining of zinc; manufacturing of sulfuric acid
Kosaka Smelting & Refining Co., Ltd.	4,700	100	Smelting and refining of copper and lead; recovery of precious metals
DMM Palmer Co., Ltd.	1,150	65	Mineral exploration
Akita Zinc Solutions Co., Ltd.	375	85	Processing of zinc alloy, zinc wire, and other products
Nippon PGM Co., Ltd.	300	60	Recovery of platinum group metals from disposable catalysts
Zinc Excel Co., Ltd.	200	85	Sales of zinc, cadmium, zinc alloy, zinc wire, and other products
Akita Zinc Recycling Co., Ltd.	100	100	Recovery of zinc from iron and steel dust, and other byproducts; outsourcing of zinc secondaries processing
Akita Recycle & Finepack Co., Ltd.	40	100	Pretreatment of nonferrous
Akita Rare Metals Co., Ltd.	20	100	Recovery of indium and other products
Dowa Metals & Mining Alaska Ltd.	11 million U.S. Dollars	100	Mineral exploration
NIPPON PGM AMERICA, INC.	1 million U.S. Dollars	51	Spent catalyst shredding and sampling
Dowa Metals & Mining (Thailand) Co., Ltd.	520 million Thai Baht	100	Processing and sales of zinc products
Nippon PGM Europe s.r.o.	22 million Czech Koruna	51	Spent catalyst shredding and sampling
Electronic Materials			
Dowa Electronics Materials Co., Ltd.	1,000	100	Manufacturing and sales of semiconductors, and functional and magnetic materials
Dowa Hightech Co., Ltd. (Chemical)	450	100	Manufacturing of metal compounds, chemical and other products
Dowa Semiconductor Akita Co., Ltd.	300	100	Manufacturing of high-purity metal materials, compound semiconductor wafers and light-emitting diodes
Dowa IP Creation Co., Ltd.	300	70	Manufacturing of iron and carrier powders
Dowa F-Tec Co., Ltd.	300	100	Manufacturing of ferrite powders
Dowa Electronics Materials Okayama Co., Ltd.	100	100	Manufacturing of metal powders, copper powders, and other materials

Name 77 Consolidated Subsidiaries and 15 Affiliates Accounted for by the Equity Method	Issued Share Capital (Millions of Yen)	Percentage Owned Directly or Indirectly by the Company (%) ^{*1}	Principal Business
Metal Processing			
Dowa Metaltech Co., Ltd.	1,000	100	Metal processing and metal plating
Dowa Hightech Co., Ltd. (Electroplating)	450	100	Metal plating
Dowa Metal Co., Ltd.	400	100	Manufacturing of copper strip and other products
Dowa Metanix Co., Ltd.	400	90	Manufacturing of mainly nickel alloys, copper alloys, and electronics parts
Hoei Shoji Co., Ltd.	110	100	Processing and sales of copper strip, aluminum, and other products
Dowa Power Device Co., Ltd.	100	100	Metal-ceramic substrates manufacturing
New Nippon Brass Co., Ltd.	100	100	Manufacturing of brass bars and forged products
Dowa Advanced Materials Shanghai Co., Ltd.	2 million U.S. Dollars	100	Processing and sales of copper strip products
DOWA METALTEC (THAILAND) CO., LTD.	475 million Thai Baht	100	Processing and sales of copper strip products
Heat Treatment			
Dowa Thermotech Co., Ltd.	1,000	100	Heat treatment processing
Dowa Thermoengineering Co., Ltd.	100	100	Design, manufacturing, maintenance, and improvement of heat treatment equipment, heat treatment processing, surface processing, surface improvement
CEMM Co., Ltd.	55	100	Heat treatment processing and surface processing
Tonetsu Kosan Co., Ltd.	30	100	Heat treatment processing
Kunshan Dowa Thermo Furnace Co., Ltd.	12 million U.S. Dollars	70	Design, manufacturing, maintenance, and improvement of heat treatment equipment, heat treatment processing, surface processing
DOWA THT AMERICA, INC.	5 million U.S. Dollars	100	Heat treatment processing, surface processing, maintenance of heat treatment equipment
DOWA Thermotech (Thailand) Co., Ltd.	270 million Thai Baht	100	Heat treatment processing, surface processing, maintenance of heat treatment equipment
PT. DOWA Thermotech Indonesia	211,498 million Indonesia Rupiah	100	Heat treatment processing and surface processing
PT. DOWA Thermotech Furnaces	11,666 million Indonesia Rupiah	100	Imports, maintenance, and maintenance of heat treatment equipment
HIGHTEMP FURNACES Ltd.	90 million Indian Rupee	93	Design, manufacturing, maintenance, and improvement of heat treatment equipment, heat treatment processing, surface processing, processing of machine component
Others			
Dowa Techno Engineering Co., Ltd.	400	100	Plant construction
Dowa Kohsan Co., Ltd.	305	100	Outsourcing and management of golf courses and real estate, brokerage
Dowa Management Service Co., Ltd.	100	100	Outsourcing of general indirect business services
Akita Kouei Co., Ltd.	95	100	Construction of machinery and electronics, maintenance of plants
Yowa Kouei Co., Ltd.	20	100	Construction, maintenance of machinery and electronics, heavy concrete works business
Dowa Technology Co., Ltd.	10	100	Technological development support; outsourcing of analysis and evaluation services
Dowa Techno-Research Co., Ltd.	10	100	Environmental measurement
Five other companies	-	-	-
Affiliates Accounted for by the Equity Method			
Kowa Seiko Co., Ltd.	1,000	50	Industrial waste treatment, recovery of ferrous and nonferrous materials
Akagi Kouyu Co., Ltd.	99	20	Waste treatment
Okayama Rinko Co., Ltd.	98	33	Warehousing; other business activities
Onahama Smelting & Refining Co., Ltd.	7,000	32	Copper smelting and refining, general and industrial waste treatment
Acids Co., Ltd.	150	50	Sale of sulfuric acid and others
Cariboo Copper Corporation	91 million Canadian Dollars	25	Mining and sales of products from mines
MINERA TIZAPA, S.A. DE C.V.	10 million Mexican Pesos	39	Nonferrous metal resource mining
ARRENDADORA MINERA ZACAZONAPAN, S.A. DE C.V.	8 million Mexican Pesos	39	Nonferrous metal resource mining
EXPLORACIONES Y DESARROLLOS MINEROS TIZAPA, S.A. DE C.V.	728 Thousand Mexican Pesos	39	Nonferrous metal resource mining
Kyoto Elex Co., Ltd.	80	50	Manufacturing and sales of pastes
Dowa Olin Metal Corporation	480	50	Manufacturing, marketing, and sales of special copper alloy strips
TOKUYAMA-DOWA Power Material Co., Ltd.	250	35	Ceramic substrates manufacturing
Japan Copper Casting Co., Ltd.	200	30	Various types of copper manufacturing and production
Fujita Kanko Inc. ^{*2}	12,081	32	Lodging and hotel management; real estate agent
Nippon AN-FO Manufacturing Co., Ltd.	91	29	Production and marketing of industrial explosives

* 1. The figures for the percentage owned by the Company include indirect ownership by the Company.
* 2. The shares of this company are listed on the Tokyo Stock Exchange.

Global Network

As of March 31, 2015

Overseas Subsidiaries and Offices

For details, refer to the list of Group Companies at http://www.dowa.co.jp/en/about_dowa/group.html

North America and Central America

U.S.A.

- ① NIPPON PGM AMERICA, INC.
- ② DOWA THT AMERICA, INC.
- ③ DOWA INTERNATIONAL CORPORATION
- ④ DOWA INTERNATIONAL CORPORATION San Jose Branch

Canada

- ⑤ Dowa Metals & Mining Co., Ltd. Vancouver Office
- ⑥ Cariboo Copper Corporation

Mexico

- ⑦ Dowa Metals & Mining Co., Ltd. Mexico Office
- ⑧ MINERA TIZAPA, S.A. DE C.V.
- ⑨ DOWA THERMOTEC MEXICO S.A. de C.V.

Europe

Germany

- ⑩ DOWA HD Europe GmbH

Czech Republic

- ⑪ Nippon PGM Europe s.r.o.

Asia

Singapore

- ⑫ Technochem Environmental Complex Pte. Ltd. (TEC)
- ⑬ DOWA ECO-SYSTEM SINGAPORE PTE. LTD.
- ⑭ Dowa Metaltech Co., Ltd. Singapore Branch

Indonesia

- ⑮ PT. Prasadha Pamunah Limbah Industri (PPLi)
- ⑯ PT. DOWA THERMOTEC INDONESIA
- ⑰ PT. DOWA THERMOTEC FURNACES

Taiwan

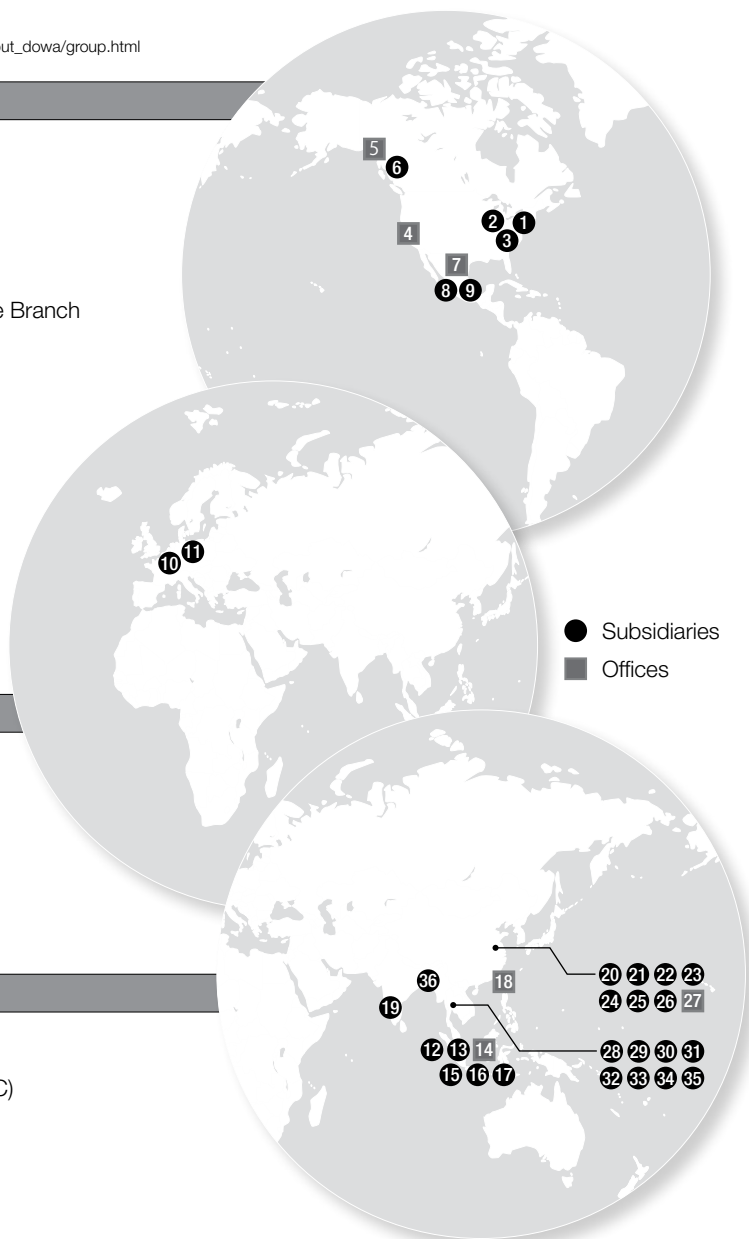
- ⑱ Dowa Eco-System Co., Ltd. Taiwan Office

India

- ⑲ HIGHTEMP FURNACES Ltd.

China

- ⑳ Dowa Environmental Management Co., Ltd.
- ㉑ Dowa Environmental Engineering (Suzhou) Co., Ltd.
- ㉒ Jiangxi Dowa Environmental Management Co., Ltd.
- ㉓ Dowa Advanced Materials (Shanghai) Co., Ltd.
- ㉔ Kunshan Dowa Thermo Furnace Co., Ltd.
- ㉕ Dowa Holdings (Shanghai) Co., Ltd.



- ⑳ Dowa Holdings (Shanghai) Co., Ltd. Shenzhen Branch
- ㉖ Dowa Metaltech Co., Ltd. Shenzhen Sales Office

Thailand

- ㉗ Eastern Seaboard Environmental Complex Co., Ltd. (ESBEC)
- ㉘ Bangpoo Environmental Complex Ltd. (BPEC)
- ㉙ Waste Management Siam Ltd. (WMS)
- ㉚ DOWA Metals & Mining (Thailand) Co., Ltd.
- ㉛ DOWA METALTECH (THAILAND) CO., LTD.
- ㉜ DOWA Precision (Thailand) Co., Ltd.
- ㉝ DOWA Thermotech (Thailand) Co., Ltd.
- ㉞ DOWA HOLDINGS (THAILAND) CO., LTD.

Myanmar

- ㉟ GOLDEN DOWA ECO-SYSTEM MYANMAR CO., LTD.

Corporate History

As of March 31, 2015

1884	<ul style="list-style-type: none"> The Japanese government sells the Kosaka mine to Fujita Gumi, which was established by Dowa's founder, Denzaburo Fujita. 	2004	<ul style="list-style-type: none"> Dowa Techno-Research Co., Ltd. is established. Landfill site "Green Fill Kosaka" starts operations.
1898	<ul style="list-style-type: none"> Fujita Gumi begins using a dry-refining method for refining kuroko (complex sulfide ores) at the Kosaka mine. 	2006	<ul style="list-style-type: none"> Dowa acquires Act-B Recycling Co., Ltd. Dowa relocates Head Office to Akihabara, Tokyo. Dowa acquires CEMM Co., Ltd. Dowa adopts a holding company system. <ul style="list-style-type: none"> Dowa Mining changes its name to Dowa Holdings Co., Ltd. Dowa Mining's five business divisions are spun off to become core operating companies. DOWA METALTECH (THAILAND) CO., LTD. is established in Thailand.
1899	<ul style="list-style-type: none"> Fujita Gumi begins land drainage and reclamation work in Kojima Bay, Okayama Prefecture. 	2007	<ul style="list-style-type: none"> Tokuyama-Dowa Power Materials Co., Ltd. is established. DOWA Thermotech (Thailand) Co., Ltd. is established in Thailand. Dowa Eco-System Co., Ltd. Taiwan office is established. Auto Recycle Akita Co., Ltd. is established. Dowa acquires Yamaha Metanix Corporation (now Dowa Metanix Co., Ltd.) and Yamaha-Olin Metal Corporation (now Dowa Olin Metal Corporation). DOWA HD Europe GmbH is established in Germany.
1902	<ul style="list-style-type: none"> Fujita Gumi begins using a revolutionary method for processing kuroko, thereby restoring the commercial viability of the Kosaka mine. 	2008	<ul style="list-style-type: none"> Akita Zinc Recycling Co., Ltd. is established. Commercial operations start at new smelting facility of Kosaka Smelting & Refining Co., Ltd.
1912	<ul style="list-style-type: none"> Production of electrolytic zinc is begun at the Kosaka mine. 	2009	<ul style="list-style-type: none"> Dowa acquires Modern Asia Environmental Holdings, Inc. (MAEH) Construction completed of new incinerator at Eco-System Chiba Co., Ltd. Dowa acquires Meltec Co., Ltd.
1915	<ul style="list-style-type: none"> Fujita Gumi acquires the Hanaoka mine. 	2010	<ul style="list-style-type: none"> Tianjin Dowa Green Angel Summit Recycling Co., Ltd. is established in China. Kunshan Dowa Thermo Furnace Co., Ltd. is established in China. Nippon PGM Europe s.r.o. is established in the Czech Republic. Dowa Environmental Engineering (Suzhou) Co., Ltd. is established in China.
1916	<ul style="list-style-type: none"> Fujita Gumi acquires the Yanahara mine. 	2011	<ul style="list-style-type: none"> Jiangxi Dowa Environmental Management Co., Ltd. is established in China. Dowa Holdings (Shanghai) Co., Ltd. is established in China. Dowa acquires controlling interest in HIGHTEMP FURNACES Ltd.
1919	<ul style="list-style-type: none"> Fujita Gumi establishes the Toyosaki Plant (currently Dowa Metal Co., Ltd.) 	2012	<ul style="list-style-type: none"> Metal recycling plant begins operations at DOWA ECO-SYSTEM SINGAPORE PTE. LTD., Singapore. DOWA Metals & Mining (Thailand) Co., Ltd. is established in Thailand. PT. DOWA THERMOTECH INDONESIA is established in Indonesia.
1937	<ul style="list-style-type: none"> Fujita Gumi and Fujita Mining Co., Ltd. merge to create Fujita Gumi Co., Ltd. 	2013	<ul style="list-style-type: none"> DOWA HOLDINGS (THAILAND) CO., LTD. is established in Thailand.
1945	<ul style="list-style-type: none"> Corporate name is changed to Dowa Mining Co., Ltd. 	2014	<ul style="list-style-type: none"> GOLDEN DOWA ECO-SYSTEM MYANMAR CO., LTD. is established in Republic of the Union of Myanmar.
1953	<ul style="list-style-type: none"> Okayama Works is established. 	2015	<ul style="list-style-type: none"> DOWA THERMOTECH MEXICO S.A. de C.V. is established in Mexico.
1957	<ul style="list-style-type: none"> Dowa Mining absorbs Fujita Kogyo Co., Ltd. 		
1967	<ul style="list-style-type: none"> Kosaka Plant is completely equipped with flash furnaces. 		
1971	<ul style="list-style-type: none"> Akita Zinc Co., Ltd. is established. 		
1976	<ul style="list-style-type: none"> Kosaka Plant begins producing indium. 		
1986	<ul style="list-style-type: none"> Hanaoka and Kosaka mining operations are transferred from the parent company to two newly established subsidiaries—Hanaoka Mining Co., Ltd. and Uchinotai Mining Co., Ltd., respectively. 		
1989	<ul style="list-style-type: none"> New York-based DOWA INTERNATIONAL CORPORATION is established. Kosaka Plant is separated from the parent company in the form of a subsidiary—Kosaka Smelting & Refining Co., Ltd. 		
1991	<ul style="list-style-type: none"> Dowa Mining absorbs Tokyo Heat Treating Co., Ltd. 		
1992	<ul style="list-style-type: none"> Mexico-based MINERA TIZAPA, S.A. DE C.V. is established. Shiojiri Works (currently Dowa Power Device Co., Ltd.) is completed. 		
1994	<ul style="list-style-type: none"> MINERA TIZAPA, S.A. DE C.V. starts operations. 		
1997	<ul style="list-style-type: none"> DOWA THT AMERICA, Inc. is established. 		
1998	<ul style="list-style-type: none"> Okayama Clean Works (currently Eco-System Sanyo Co., Ltd.) starts operation of new incinerator for industrial waste. 		
1999	<ul style="list-style-type: none"> Eco-Recycle Co., Ltd. is established. 		
2000	<ul style="list-style-type: none"> Dowa acquires Nippon Purle Limited (currently Eco-System Chiba Co., Ltd.). 		
2001	<ul style="list-style-type: none"> Dowa acquires E&E Solutions Inc. Recycle Systems Japan Co., Ltd. (currently Eco-System Recycling Co., Ltd.) is made a subsidiary. 		
2002	<ul style="list-style-type: none"> Shanghai office is established in China. Akita Zinc Solutions Co., Ltd. is established. Dowa Advanced Materials (Shanghai) Co., Ltd. is established in China. 		
2003	<ul style="list-style-type: none"> Zinc Excel Co., Ltd. and Acids Co., Ltd. are established. Dowa Environmental Management Co., Ltd. is established in China. 		

Corporate Data

As of March 31, 2015

The data indicated below is for Dowa Holdings Co., Ltd.

Founded

September 18, 1884

Incorporated

March 11, 1937

Authorized Shares

1,000,000,000 shares

Shares Issued

309,946,031 shares

Common Stock

¥36,437 million

Stock Listing

Common stock is listed on the Tokyo, Nagoya and Fukuoka stock exchanges and the Sapporo Securities Exchange.

Number of Shareholders

11,414

Principal Shareholders

	Percentage of Outstanding Shares (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	8.68
Japan Trustee Services Bank, Ltd. (Trust Account)	6.46
Fujita Kanko Inc.	4.79
JFE Steel Corporation	3.74
National Mutual Insurance Federation of Agricultural Cooperatives	3.06
Mizuho Bank, Ltd.	2.46
Resona Bank, Ltd.	2.43
Trust & Custody Services Bank, Ltd. (Investment Trust Collateral Account)	1.91
CMBL S.A. RE MUTUAL FUNDS	1.89
JUNIPER	1.56

* 1. The Company holds 9,427,000 shares of treasury stock.

2. Shareholding ratios are calculated after deducting treasury stock from outstanding shares.

The data indicated below is for Dowa Holdings Co., Ltd. and its consolidated subsidiaries.

Main Businesses

Environmental Management & Recycling, Nonferrous Metals, Electronic Materials, Metal Processing and Heat Treatment

Employees

Approximately 5,900 people

Major Domestic Operations

Domestic Works

Akita, Iwate, Tochigi, Gunma, Saitama, Chiba, Tokyo, Nagano, Shizuoka, Aichi, Shiga, Okayama, Kumamoto

Domestic Branches

Tokyo, Chiba, Shizuoka, Aichi, Osaka, Okayama, Fukuoka

Laboratories & Development Groups

Environmental Management & Recycling
Environmental Protection Laboratory (Akita, Tokyo)

Nonferrous Metals
Metallurgical Laboratory (Akita)

Electronic Materials
Semiconductor Materials Laboratory (Akita)
Electronics Materials Laboratory (Saitama)
Advanced Fine Materials Laboratory (Okayama)

Metal Processing
Technology Center (Saitama, Shizuoka)

Heat Treatment
GRD Center (Aichi),
Technical Solution & Research Center (Aichi)

DOWA HOLDINGS CO., LTD.

14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo 101-0021, Japan

URL <http://www.dowa.co.jp/>

Cover Photo

Waste treatment facility in Indonesia

(PT. Prasadha Pamunah Limbah Industri)



Printed in Japan