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## Consolidated Financial Results for the Year Ended March 31, 2021 [Japanese GAAP]

May 14, 2021

Company name: DOWA HOLDINGS CO., LTD.  
Stock exchange listing: Tokyo, Nagoya, Sapporo, Fukuoka  
Code number: 5714

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

Representative: SEKIGUCHI Akira

President and Representative Director

Contact: HOSONO Hiroyuki

Executive Officer and Corporate Strategy Dept. General Manager

Phone: 03-6847-1106

Scheduled date of Annual General Meeting of Shareholders: June 24, 2021

Scheduled date of commencing dividend payments: June 03, 2021

Scheduled date of filing annual securities report: June 24, 2021

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 01, 2020 to March 31, 2021)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2021	588,003	21.2	37,454	44.3	37,200	28.3	21,824	25.5
March 31, 2020	485,130	7.1	25,955	39.0	28,996	19.3	17,395	16.1

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥ 25,293 million [ 38.2%]  
Fiscal year ended March 31, 2020: ¥ 18,307 million [ 264.4%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2021	368.45	-	8.5	6.7	6.4
March 31, 2020	293.92	-	7.2	5.8	5.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2021: ¥ (4,815) million  
Fiscal year ended March 31, 2020: ¥ 605 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity to asset ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2021	598,471	276,715	44.4	4,465.44
March 31, 2020	512,495	258,241	48.4	4,191.09

(Reference) Equity: As of March 31, 2021: ¥ 265,704 million  
As of March 31, 2020: ¥ 248,047 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2021	(3,088)	(22,943)	11,585	17,320
March 31, 2020	55,113	(37,812)	(6,569)	30,232

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2020	-	-	-	90.00	90.00	5,409	30.6	2.2
March 31, 2021	-	-	-	95.00	95.00	5,709	25.8	2.2
Fiscal year ending March 31, 2022 (Forecast)	-	-	-	95.00	95.00		18.8	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 01, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2021	310,000	22.8	21,000	66.4	23,500	151.9	14,000	766.2	236.35
Full year	640,000	8.8	44,000	17.5	50,000	34.4	30,000	37.5	506.47

### \* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No  
 New - (Company name: )  
 Exclusion: - (Company name: )
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement  
 1) Changes in accounting policies due to the revision of accounting standards: No  
 2) Changes in accounting policies other than 1) above: No  
 3) Changes in accounting estimates: No  
 4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)  
 1) Total number of issued shares at the end of the period (including treasury shares):  
 March 31, 2021: 61,989,206 shares  
 March 31, 2020: 61,989,206 shares
- 2) Total number of treasury shares at the end of the period:  
 March 31, 2021: 2,486,815 shares  
 March 31, 2020: 2,804,746 shares
- 3) Average number of shares during the period:  
 Fiscal Year ended March 31, 2021: 59,233,220 shares  
 Fiscal Year ended March 31, 2020: 59,184,669 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 01, 2020 to March 31, 2021)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	15,084	2.0	7,074	8.6	7,061	18.6	684	(89.9)
March 31, 2020	14,795	(25.4)	6,516	(43.5)	5,954	(50.0)	6,807	(42.0)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2021	11.40	-
March 31, 2020	113.27	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity to asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2021	293,779	113,470	38.6	1,888.01
March 31, 2020	274,111	114,756	41.9	1,909.40

(Reference) Equity: As of March 31, 2021: ¥ 113,470 million  
As of March 31, 2020: ¥ 114,756 million

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Million yen)

	As of March 31,2020	As of March 31,2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	31,730	18,277
Notes and accounts receivable - trade	75,130	84,132
Merchandise and finished goods	29,416	44,908
Work in process	5,679	6,925
Raw materials and supplies	80,207	153,394
Other	20,330	19,588
Allowance for doubtful accounts	(352)	(227)
<b>Total current assets</b>	<b>242,143</b>	<b>326,999</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	132,996	142,800
Accumulated depreciation	(75,975)	(80,712)
<b>Buildings and structures, net</b>	<b>57,021</b>	<b>62,087</b>
Machinery, equipment and vehicles	261,306	271,782
Accumulated depreciation	(218,562)	(226,021)
<b>Machinery, equipment and vehicles, net</b>	<b>42,744</b>	<b>45,760</b>
Land	27,883	27,776
Construction in progress	21,688	21,147
Other	18,829	19,197
Accumulated depreciation	(14,830)	(15,402)
<b>Other, net</b>	<b>3,999</b>	<b>3,794</b>
<b>Total property, plant and equipment</b>	<b>153,336</b>	<b>160,567</b>
<b>Intangible assets</b>		
Goodwill	4,037	3,591
Other	3,464	4,402
<b>Total intangible assets</b>	<b>7,502</b>	<b>7,994</b>
<b>Investments and other assets</b>		
Investment securities	65,031	64,883
Long-term loans receivable	33,628	27,802
Deferred tax assets	6,883	7,461
Other	4,070	2,855
Allowance for doubtful accounts	(100)	(93)
<b>Total investments and other assets</b>	<b>109,513</b>	<b>102,909</b>
<b>Total non-current assets</b>	<b>270,352</b>	<b>271,471</b>
<b>Total assets</b>	<b>512,495</b>	<b>598,471</b>

(Million yen)

	As of March 31,2020	As of March 31,2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	34,480	55,337
Short-term borrowings	40,105	53,114
Commercial papers	24,000	35,000
Income taxes payable	6,224	6,179
Accrued consumption taxes	3,425	3,094
Provisions		
Provision for bonuses	3,945	4,244
Provision for bonuses for directors (and other officers)	191	212
Total provisions	4,136	4,457
Borrowing precious metals	13,371	38,180
Other	31,042	31,529
Total current liabilities	156,786	226,894
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	49,981	45,837
Deferred tax liabilities	2,158	2,334
Provisions		
Provision for retirement benefits for directors (and other officers)	730	739
Other provisions	377	361
Total provisions	1,107	1,101
Retirement benefit liability	18,548	19,546
Other	5,673	6,041
Total non-current liabilities	97,467	94,861
Total liabilities	254,254	321,755
<b>Net assets</b>		
Shareholders' equity		
Share capital	36,437	36,437
Capital surplus	25,928	26,473
Retained earnings	184,927	201,290
Treasury shares	(5,711)	(5,064)
Total shareholders' equity	241,582	259,136
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,226	10,569
Deferred gains or losses on hedges	2,285	(2,196)
Foreign currency translation adjustment	(875)	(1,643)
Remeasurements of defined benefit plans	(172)	(161)
Total accumulated other comprehensive income	6,464	6,567
Non-controlling interests	10,194	11,010
Total net assets	258,241	276,715
Total liabilities and net assets	512,495	598,471

Consolidated Statements of Income and Comprehensive Income  
 Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Net sales	485,130	588,003
Cost of sales	421,630	512,155
Gross profit	63,499	75,848
Selling, general and administrative expenses		
Freight and incidental costs	4,099	3,926
Sales commission	491	462
Remuneration for directors (and other officers)	1,456	1,385
Salaries and allowances	6,883	8,650
Welfare expenses	2,187	2,615
Provision for bonuses	916	1,120
Retirement benefit expenses	714	878
Provision for retirement benefits for directors (and other officers)	178	171
Rent expenses	975	1,200
Taxes and dues	1,490	1,685
Travel and transportation expenses	1,532	669
Depreciation	1,223	1,268
Development and research expenses	6,076	6,177
Amortization of goodwill	485	475
Other	8,832	7,706
Total selling, general and administrative expenses	37,544	38,393
Operating profit	25,955	37,454
Non-operating income		
Interest income	1,931	1,255
Dividend income	820	478
Share of profit of entities accounted for using equity method	605	-
Foreign exchange gains	-	1,133
Commission income	838	998
Royalty income	790	1,036
Onerous sample cost income	1,243	975
Other	951	1,440
Total non-operating income	7,181	7,318
Non-operating expenses		
Interest expenses	1,323	910
Share of loss of entities accounted for using equity method	-	4,815
Foreign exchange losses	986	-
Environmental expenses	535	760
Other	1,293	1,086
Total non-operating expenses	4,139	7,573
Ordinary profit	28,996	37,200

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Extraordinary income		
Gain on sale of investment securities	1,554	5,029
Gain on sale of non-current assets	131	202
Subsidy income	-	172
Insurance claim income	235	38
Other	117	14
Total extraordinary income	2,039	5,458
Extraordinary losses		
Impairment losses	1,181	2,252
Loss on retirement of non-current assets	816	1,202
Loss on valuation of investment securities	-	198
Other	276	144
Total extraordinary losses	2,274	3,797
Profit before income taxes	28,762	38,860
Income taxes - current	9,857	14,525
Income taxes - deferred	223	(889)
Total income taxes	10,081	13,636
Profit	18,680	25,224
Profit attributable to non-controlling interests	1,284	3,399
Profit attributable to owners of parent	17,395	21,824

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Profit	18,680	25,224
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,127)	5,807
Deferred gains or losses on hedges	5,069	(4,179)
Foreign currency translation adjustment	(880)	(102)
Remeasurements of defined benefit plans, net of tax	169	(89)
Share of other comprehensive income of entities accounted for using equity method	396	(1,366)
Total other comprehensive income	(372)	68
Comprehensive income	18,307	25,293
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,042	21,927
Comprehensive income attributable to non-controlling interests	1,265	3,366



Consolidated Statements of Changes in Net Assets  
For the fiscal year ended March 31,2020

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	36,437	26,044	173,624	(5,710)	230,395
Changes during period					
Dividends of surplus	-	-	(5,409)	-	(5,409)
Profit attributable to owners of parent	-	-	17,395	-	17,395
Purchase of treasury shares	-	-	-	(1)	(1)
Change in scope of consolidation	-	-	(683)	-	(683)
Change in the parent's ownership interest due to transactions with noncontrolling interests	-	(115)	-	-	(115)
Net changes in items other than shareholders' equity	-	-	-	-	-
Total changes during period	-	(115)	11,303	(1)	11,186
Balance at end of period	36,437	25,928	184,927	(5,711)	241,582

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	9,992	(2,787)	(27)	(360)	6,818	8,944	246,158
Changes during period							
Dividends of surplus	-	-	-	-	-	-	(5,409)
Profit attributable to owners of parent	-	-	-	-	-	-	17,395
Purchase of treasury shares	-	-	-	-	-	-	(1)
Change in scope of consolidation	-	-	-	-	-	-	(683)
Change in the parent's ownership interest due to transactions with noncontrolling interests	-	-	-	-	-	-	(115)
Net changes in items other than shareholders' equity	(4,766)	5,072	(848)	187	(353)	1,249	896
Total changes during period	(4,766)	5,072	(848)	187	(353)	1,249	12,082
Balance at end of period	5,226	2,285	(875)	(172)	6,464	10,194	258,241

For the fiscal year ended March 31,2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	36,437	25,928	184,927	(5,711)	241,582
Changes during period					
Dividends of surplus	-	-	(5,409)	-	(5,409)
Profit attributable to owners of parent	-	-	21,824	-	21,824
Purchase of treasury shares	-	-	-	(1)	(1)
Disposal of treasury shares	-	544	-	648	1,192
Change in scope of consolidation	-	-	(51)	-	(51)
Net changes in items other than shareholders' equity	-	-	-	-	-
Total changes during period	-	544	16,363	646	17,554
Balance at end of period	36,437	26,473	201,290	(5,064)	259,136

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,226	2,285	(875)	(172)	6,464	10,194	258,241
Changes during period							
Dividends of surplus	-	-	-	-	-	-	(5,409)
Profit attributable to owners of parent	-	-	-	-	-	-	21,824
Purchase of treasury shares	-	-	-	-	-	-	(1)
Disposal of treasury shares	-	-	-	-	-	-	1,192
Change in scope of consolidation	-	-	-	-	-	-	(51)
Net changes in items other than shareholders' equity	5,342	(4,482)	(767)	10	102	816	919
Total changes during period	5,342	(4,482)	(767)	10	102	816	18,473
Balance at end of period	10,569	(2,196)	(1,643)	(161)	6,567	11,010	276,715

## Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	28,762	38,860
Depreciation	19,288	20,050
Impairment losses	1,181	2,252
Amortization of goodwill	485	475
Increase (decrease) in allowance for doubtful accounts	207	(120)
Increase (decrease) in other provisions	(249)	162
Increase (decrease) in retirement benefit liability	624	879
Interest and dividend income	(2,752)	(1,733)
Interest expenses	1,323	910
Foreign exchange losses (gains)	457	(789)
Share of loss (profit) of entities accounted for using equity method	(605)	4,815
Loss (gain) on sale of non-current assets	(131)	(202)
Loss on retirement of non-current assets	816	1,202
Loss (gain) on sale of investment securities	(1,554)	(5,029)
Decrease (increase) in trade receivables	8,553	(9,152)
Decrease (increase) in inventories	4,361	(89,511)
Increase (decrease) in trade payables	(8,383)	20,690
Increase (decrease) in accrued consumption taxes	2,412	(331)
Increase (decrease) in borrowing precious metals	649	24,809
Other, net	343	1,207
Subtotal	55,789	9,445
Interest and dividends received	6,115	2,970
Interest paid	(1,348)	(1,008)
Income taxes refund (paid)	(5,443)	(14,496)
Net cash provided by (used in) operating activities	55,113	(3,088)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(35,241)	(33,487)
Proceeds from sale of property, plant and equipment	605	565
Purchase of intangible assets	(885)	(1,535)
Purchase of investment securities	(8)	(6)
Proceeds from sale of investment securities	2,554	954
Purchase of shares of subsidiaries and associates	(4,705)	(700)
Proceeds from sale of shares of subsidiaries and associates	-	7,754
Subsidies received	6,484	687
Loan advances	(8,120)	(4,086)
Proceeds from collection of loans receivable	2,134	7,334
Other, net	(630)	(424)
Net cash provided by (used in) investing activities	(37,812)	(22,943)

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	4,661	5,440
Net increase (decrease) in commercial papers	(5,000)	11,000
Proceeds from long-term borrowings	9,840	10,180
Repayments of long-term borrowings	(10,262)	(6,797)
Proceeds from issuance of bonds	9,953	-
Redemption of bonds	(10,000)	-
Repayments of lease obligations	(183)	(275)
Purchase of treasury shares	(1)	(1)
Dividends paid	(5,408)	(5,407)
Dividends paid to non-controlling interests	(168)	(2,554)
Other, net	0	-
Net cash provided by (used in) financing activities	(6,569)	11,585
Effect of exchange rate change on cash and cash equivalents	114	55
Net increase (decrease) in cash and cash equivalents	10,846	(14,390)
Cash and cash equivalents at beginning of period	19,002	30,232
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	383	1,479
Cash and cash equivalents at end of period	30,232	17,320

## Segment Information

Segment information by business type as of March 31, 2020 and 2021 is summarized as follows :

(Amounts of less than one million yen are rounded down.)

For the Fiscal Year Ended March 31, 2020 (From April 01, 2019 to March 31, 2020)

(Million yen)

	Reporting Segments						Others	Total	Eliminations & Company- wide	Consolidated
	Environmental Management & Recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Sub Total				
Net sales										
(1) Outside customers	67,548	209,955	95,551	82,300	27,992	483,346	1,783	485,130	—	485,130
(2) Intersegment	44,573	17,335	2,674	48	3	64,635	10,272	74,907	(74,907)	—
Total	112,121	227,290	98,226	82,348	27,995	547,982	12,055	560,037	(74,907)	485,130
Segment profit (loss) (note 2)	6,905	12,204	2,403	5,199	1,256	27,969	825	28,794	202	28,996
Segment Assets	121,889	208,915	64,324	77,905	45,717	518,752	10,024	528,777	(16,281)	512,495
Other items										
Depreciation	5,493	4,216	3,162	3,064	2,535	18,473	241	18,714	574	19,288
Amortization of goodwill	348	—	—	—	136	485	—	485	—	485
Investments in affiliates accounted for by equity method	3,278	15,510	427	387	—	19,604	—	19,604	15,553	35,157
Increase in property, plant and equipment and intangible assets	16,987	6,915	2,844	5,464	4,339	36,551	384	36,935	788	37,723

For the Fiscal Year Ended March 31, 2021 (From April 01, 2020 to March 31, 2021)

(Million yen)

	Reporting Segments						Others	Total	Eliminations & Company- wide	Consolidated
	Environmental Management & Recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Sub Total				
Net sales										
(1) Outside customers	69,353	268,000	147,489	77,799	23,027	585,670	2,333	588,003	—	588,003
(2) Intersegment	48,252	14,063	3,750	20	152	66,239	10,719	76,959	(76,959)	—
Total	117,606	282,064	151,240	77,819	23,179	651,910	13,053	664,963	(76,959)	588,003
Segment profit (loss) (note 2)	8,668	25,940	3,699	4,637	820	43,766	774	44,541	(7,340)	37,200
Segment Assets	124,663	286,553	77,078	83,273	43,997	615,568	11,264	626,832	(28,361)	598,471
Other items										
Depreciation	5,819	4,470	2,969	3,287	2,674	19,222	266	19,488	561	20,050
Amortization of goodwill	348	—	—	—	127	475	—	475	—	475
Investments in affiliates accounted for by equity method	3,369	16,557	530	390	—	20,847	—	20,847	9,177	30,025
Increase in property, plant and equipment and intangible assets	18,129	5,389	5,913	3,644	1,603	34,680	1,052	35,732	1,605	37,338

(Note 1) The classification of businesses for the segment information by business type is based on the classification adopted by the internal management system.

- (1) Environmental Management & Recycling : Waste treatment, controlled landfilling, soil remediation, metal recycling, household appliances recycling, automobile recycling, consulting on environmental matters, and logistics
- (2) Nonferrous Metals : Production and sale of gold, silver, copper, zinc alloy, lead, platinum, palladium, indium, gallium, germanium, tin, antimony, nickel, bismuth, tellurium, sulfuric acid, and other metals
- (3) Electronic Materials : Production and sale of high-purity gallium, indium, compound semiconductor wafers, LEDs, Silver powder, Copper powder, Silver oxide powder, Metal powder, Carrier powder, and Ferrite powder
- (4) Metal Processing : Production and sale of copper, brass, copper alloy strips, nickel alloy strips, reflow tin plated stripes, brass rods, forged brass products, electroplating, and metal-ceramics substrates
- (5) Heat Treatment : Heat treatment, Surface treatment, design, manufacture, marketing, and maintenance of industrial furnaces and ancillary equipment
- (6) Others : Plant construction, real estate rental business and others

(Note 2) Segment profit (loss) is based on ordinary profit.