

Consolidated Financial Summary for the Nine Months
Ended December 31, 2013 (Unaudited)

(Japan Basis)



February 04 2014

Company name: Dowa Holdings Co., Ltd. URL: <http://www.dowa.co.jp>
Exchange: First Section of Tokyo Stock Exchange, First Section of Nagoya Stock Exchange
 Fukuoka Stock Exchange, and Sapporo Securities Exchange
Stock code: 5714
Representative: Masao Yamada, President and Representative Director

Scheduled date of submission: February 14, 2014
Scheduled date of commencement of dividend payment: —

1. Consolidated business results for the nine months ended December 31, 201

(April 1, 2013 – December 31, 2013)

(Amounts less than one million yen, except for per share amounts, are omitted)

(1) Consolidated financial results

(%: Change from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Nine months ended December 31, 2013	328,433	10.0	23,124	41.0	25,699	43.1	16,953	74.1
Nine months ended December 31, 2012	298,545	2.6	16,398	0.4	17,960	16.1	9,739	50.0
(Notes) Comprehensive income	Nine months ended December 31, 2013		22,946 million yen 107.9 %		Nine months ended December 31, 2012		11,038 million yen 118.8 %	

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Nine months ended December 31, 2013	57.29	—
Nine months ended December 31, 2012	32.91	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
As of December 31, 2013	364,440	161,468	41.9
As of March 31, 2013	349,787	142,400	38.2

(Reference) Shareholders' equity As of December 31, 2013 152,544 million yen As of March 31, 2013 133,593 million yen

2. Dividends

(Record date)	Annual Dividends				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
Fiscal year ended March 31, 2013	Yen —	Yen —	Yen —	Yen 12.00	Yen 12.00
Fiscal year ending March 31, 2014	—	—	—	—	—
Fiscal year ending March 31, 2014 (forecast)	—	—	—	12.00	12.00

(Note) Revisions of expected dividends in the current period

None

3. Forecast consolidated results for the fiscal year ending March 31, 2014 (April 1, 2013 – March 31, 2014)

(%: Change from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full year	426,000	1.6	30,500	24.2	33,000	21.0	19,000	24.9	64.20

(Note) Revisions of estimated consolidated results in the current period

None

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets (Unaudited)

(Millions of Yen)

	As of end of previous fiscal year (March 31, 2013)	As of end of third quarter (December 31, 2013)
Assets		
Current assets		
Cash and deposits	6,163	5,489
Notes and accounts receivable-trade	71,829	72,943
Merchandise and finished goods	20,900	19,453
Work in process	4,294	6,644
Raw materials and supplies	55,087	63,070
Deferred tax assets	3,287	3,153
Other	9,783	10,277
Allowance for doubtful accounts	(59)	(62)
Total current assets	171,287	180,969
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	96,511	98,909
Accumulated depreciation	(53,650)	(56,254)
Buildings and structures, net	42,861	42,655
Machinery, equipment and vehicles	203,780	208,936
Accumulated depreciation	(172,605)	(179,095)
Machinery, equipment and vehicles, net	31,174	29,840
Land	22,577	22,528
Construction in progress	4,528	5,160
Other	12,020	12,836
Accumulated depreciation	(9,516)	(9,936)
Other, net	2,504	2,900
Total property, plant and equipment	103,647	103,085
Intangible assets		
Goodwill	7,325	7,106
Other	3,891	4,501
Total intangible assets	11,217	11,608
Investments and other assets		
Investment securities	56,187	62,357
Long-term loans receivable	491	616
Deferred tax assets	3,976	3,039
Other	3,147	2,933
Allowance for doubtful accounts	(165)	(168)
Total investments and other assets	63,636	68,777
Total noncurrent assets	178,500	183,471
Total assets	349,787	364,440

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	As of end of previous fiscal year (March 31, 2013)	As of end of third quarter (December 31, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	42,403	36,851
Short-term loans payable	52,514	57,905
Commercial papers	—	10,000
Current portion of bonds	—	10,000
Income taxes payable	5,353	4,265
Accrued consumption taxes	1,748	1,314
Deferred tax liabilities	—	2
Provision		
Provision for bonuses	3,088	1,710
Provision for directors' bonuses	169	134
Total provisions	3,258	1,844
Other	27,847	23,192
Total current liabilities	133,125	145,376
Noncurrent liabilities		
Bonds payable	10,000	—
Long-term loans payable	44,623	37,076
Deferred tax liabilities	2,969	3,566
Provision		
Provision for retirement benefits	10,990	11,538
Provision for directors' retirement benefits	613	622
Other provision	435	397
Total provisions	12,039	12,558
Other	4,627	4,394
Total noncurrent liabilities	74,260	57,595
Total liabilities	207,386	202,972
Net assets		
Shareholders' equity		
Capital stock	36,437	36,437
Capital surplus	26,362	26,362
Retained earnings	68,180	81,450
Treasury stock	(5,688)	(5,694)
Total shareholders' equity	125,291	138,555
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,990	12,841
Deferred gains or losses on hedges	89	(364)
Foreign currency translation adjustment	(777)	1,511
Total accumulated other comprehensive income	8,302	13,989
Minority interests	8,807	8,923
Total net assets	142,400	161,468
Total liabilities and net assets	349,787	364,440

Note: Amounts less than one million yen are omitted.

(2) Consolidated Statements of Income (Unaudited)

(Millions of Yen)

	Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)	Nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)
Net sales	298,545	328,433
Cost of sales	260,898	283,158
Gross profit	37,646	45,275
Selling, general and administrative expenses		
Freightage related expenses	2,593	2,483
Sales commission	445	425
Directors' compensations	932	996
Salaries and allowances	4,466	4,656
Welfare expenses	1,181	1,244
Provision for bonuses	314	374
Retirement benefit expenses	452	476
Provision for directors' retirement benefits	125	127
Rent expenses	525	542
Taxes and dues	492	559
Traveling and transportation expenses	1,045	1,104
Depreciation	529	508
Development and research expenses	3,404	3,615
Amortization of goodwill	376	391
Other	4,361	4,643
Total selling, general and administrative expenses	21,247	22,151
Operating income	16,398	23,124
Non-operating income		
Interest income	77	96
Dividends income	453	554
Foreign exchange gains	—	261
Equity in earnings of affiliates	1,730	1,508
Other	2,131	2,604
Total non-operating income	4,392	5,025
Non-operating expenses		
Interest expenses	1,265	1,125
Foreign exchange losses	236	—
Environmental expenses	634	703
Other	693	620
Total non-operating expenses	2,830	2,450
Ordinary income	17,960	25,699

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)	Nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)
Extraordinary income		
Subsidy income	10	91
Compensation income	275	83
Gain on sales of investment securities	—	55
Gain on sales of noncurrent assets	88	40
Insurance income	47	18
Other	21	13
Total extraordinary income	444	301
Extraordinary loss		
Loss on disaster	162	246
Loss on retirement of noncurrent assets	238	212
Impairment loss	58	48
Loss on valuation of investment securities	2,552	—
Environmental expenses	100	—
Loss on sales of noncurrent assets	13	—
Other	74	23
Total extraordinary losses	3,199	531
Income before income taxes and minority interests	15,206	25,469
Income taxes-current	3,824	7,850
Income taxes-deferred	1,409	475
Total income taxes	5,234	8,325
Income before minority interests	9,971	17,144
Minority interests in income	232	190
Net income	9,739	16,953

Note: Amounts less than one million yen are omitted.

(3) Consolidated Statement of Comprehensive Income (Unaudited)

(Millions of Yen)

	Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)	Nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)
Income before minority interests	9,971	17,144
Other comprehensive income		
Valuation difference on available-for-sale securities	702	3,405
Deferred gains or losses on hedges	(17)	(557)
Foreign currency translation adjustment	179	1,393
Share of other comprehensive income of associates accounted for using equity method	202	1,559
Total other comprehensive income	1,066	5,801
Comprehensive income	11,038	22,946
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	10,839	22,640
Comprehensive income attributable to minority interests	198	305

5. Segment Information

Segment information by business type as of December 31, 2013 and 2012 is summarized as follows :

(Amounts less than one million yen and one thousand USD are omitted.)

For the nine months ended December 31 ,2013(From April 1, 2013 to December 31, 2013)

Millions of 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	45,959	141,071	61,705	60,460	17,614	326,811	1,622	328,433	-	328,433
(2) Intersegment	27,095	21,691	1,339	9	0	50,135	5,018	55,154	(55,154)	-
Total	73,055	162,762	63,045	60,469	17,614	376,947	6,640	383,588	(55,154)	328,433
Segment income (note 2)	7,089	4,875	5,155	3,975	1,492	22,589	36	22,625	498	23,124

For the nine months ended December 31 ,2012(From April 1, 2012 to December 31, 2012)

Millions of 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	46,086	128,220	51,369	54,335	17,309	297,321	1,223	298,545	-	298,545
(2) Intersegment	27,601	16,259	1,484	11	0	45,356	5,717	51,073	(51,073)	-
Total	73,687	144,480	52,853	54,346	17,309	342,677	6,941	349,618	(51,073)	298,545
Segment income (note 2)	4,065	2,119	4,828	3,510	1,081	15,605	115	15,720	678	16,398

For the nine months ended December 31 ,2013(From April 1, 2013 to December 31, 2013)

Thousands of USD (Note3)

	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	436,093	1,338,564	585,499	573,684	167,133	3,100,974	15,391	3,116,365	-	3,116,365
(2) Intersegment	257,094	205,818	12,710	89	0	475,713	47,621	523,335	(523,335)	-
Total	693,188	1,544,383	598,209	573,773	167,134	3,576,688	63,012	3,639,700	(523,335)	3,116,365
Segment income (note 2)	67,271	46,264	48,917	37,723	14,161	214,338	349	214,688	4,726	219,414

(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 copper, zinc, lead, gold, silver, zinc alloy, platinum, palladium, rhodium, indium, sulfuric acids, tin, antimony, and other materials
- (3) Electronic Materials : Production and sale of high-purity gallium, indium, compound semiconductor wafers, LEDs, silver powders, copper powdres, silver oxide powders, metal powders, carrier powders, and ferrite powders
- (4) Metal Processing : Production and sale of copper, brass, copper alloy strips, nickel alloy strips, reflow tin plated stripes, brass rods, forged brass products, electroplated products, and metal-ceramic substrates
- (5) Heat Treatment : Various types of heat treatment, various types of surface treatment, design, manufacture, marketing, and maintenance of various types of industrial furnaces and ancillary equipment
- (6) Others : Construction, rental business and others

(Note 2) Segment income is based on operating income.

(Note 3) Converted at ¥105.39=US\$1, the prevailing exchange rate as of December 31, 2013 is used.