

Consolidated Financial Summary for the First Quarter
of the Fiscal Year Ending March 31, 2014 (Unaudited)

(Japan Basis)



August 08 2013

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: August 13, 2013
Scheduled date of commencement of dividend payment: —

1. Consolidated business results for the first quarter of the fiscal year ending March 31, 2014

(April 1, 2013 – June 30, 2013)

(Amounts less than one million yen, except for per share amounts, are omitted
 (%: Change from the same period of the previous year)

(1) Consolidated financial result:

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Three months ended June 30, 2013	108,658	10.4	9,152	11.4	10,775	23.9	7,548	34.9
Three months ended June 30, 2012	98,397	5.5	8,215	68.0	8,695	121.4	5,596	315.2
(Notes) Comprehensive income	Three months ended June 30, 2013		11,430 million yen	130.7 %	Three months ended June 30, 2012		4,954 million yen	129.1 %

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Three months ended June 30, 2013	25.50	—
Three months ended June 30, 2012	18.91	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
As of June 30, 2013	343,037	149,957	41.1
As of March 31, 2013	349,787	142,400	38.2

(Reference) Shareholders' equity As of June 30, 2013: 141,117 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
First half	216,000	11.8	12,500	10.4	13,500	9.4	8,000	37.2	27.03
Full year	450,000	7.3	29,000	18.1	31,000	13.6	18,000	18.3	60.82

(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 First quarter (June 30, 2013)
Assets		
Current assets		
Cash and deposits	6,163	4,611
Notes and accounts receivable-trade	71,829	69,600
Merchandise and finished goods	20,900	24,193
Work in process	4,294	4,928
Raw materials and supplies	55,087	46,723
Deferred tax assets	3,287	2,351
Other	9,783	13,338
Allowance for doubtful accounts	(59)	(42)
Total current assets	171,287	165,705
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	96,511	98,033
Accumulated depreciation	(53,650)	(54,829)
Buildings and structures, net	42,861	43,203
Machinery, equipment and vehicles	203,780	206,519
Accumulated depreciation	(172,605)	(175,184)
Machinery, equipment and vehicles, net	31,174	31,334
Land	22,577	22,539
Construction in progress	4,528	3,653
Other	12,020	12,414
Accumulated depreciation	(9,516)	(9,703)
Other, net	2,504	2,710
Total property, plant and equipment	103,647	103,441
Intangible assets		
Goodwill	7,325	7,280
Other	3,891	4,031
Total intangible assets	11,217	11,312
Investments and other assets		
Investment securities	56,187	56,941
Long-term loans receivable	491	487
Deferred tax assets	3,976	2,138
Other	3,147	3,176
Allowance for doubtful accounts	(165)	(165)
Total investments and other assets	63,636	62,578
Total noncurrent assets	178,500	177,332
Total assets	349,787	343,037

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 First quarter (June 30, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	42,403	29,705
Short-term loans payable	52,514	57,414
Commercial papers	—	10,000
Income taxes payable	5,353	2,154
Accrued consumption taxes	1,748	1,318
Provision		
Provision for bonuses	3,088	1,635
Provision for directors' bonuses	169	2
Total provisions	3,258	1,637
Other	27,847	20,452
Total current liabilities	133,125	122,684
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	44,623	42,192
Deferred tax liabilities	2,969	1,487
Provision		
Provision for retirement benefits	10,990	11,084
Provision for directors' retirement benefits	613	534
Other provision	435	408
Total provisions	12,039	12,027
Other	4,627	4,687
Total noncurrent liabilities	74,260	70,395
Total liabilities	207,386	193,079
Net assets		
Shareholders' equity		
Capital stock	36,437	36,437
Capital surplus	26,362	26,362
Retained earnings	68,180	72,035
Treasury stock	(5,688)	(5,690)
Total shareholders' equity	125,291	129,144
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,990	9,984
Deferred gains or losses on hedges	89	1,365
Foreign currency translation adjustment	(777)	623
Total accumulated other comprehensive income	8,302	11,973
Minority interests	8,807	8,839
Total net assets	142,400	149,957
Total liabilities and net assets	349,787	343,037

Note: Amounts less than one million yen are omitted.

(2) Consolidated Statements of Income (Unaudited)

(Millions of Yen)

	Three months ended June 30, 2012 (From April 1, 2012 to June 30, 2012)	Three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013)
Net sales	98,397	108,658
Cost of sales	82,866	92,071
Gross profit	15,531	16,587
Selling, general and administrative expenses		
Freightage related expenses	866	831
Sales commission	179	130
Directors' compensations	353	371
Salaries and allowances	1,281	1,260
Welfare expenses	401	370
Provision for bonuses	436	505
Retirement benefit expenses	149	155
Provision for directors' retirement benefits	42	41
Rent expenses	177	192
Taxes and dues	213	226
Traveling and transportation expenses	362	361
Depreciation	170	156
Development and research expenses	1,102	1,242
Amortization of goodwill	123	131
Other	1,456	1,456
Total selling, general and administrative expenses	7,315	7,434
Operating income	8,215	9,152
Non-operating income		
Interest income	26	32
Dividends income	264	294
Foreign exchange gains	—	348
Equity in earnings of affiliates	487	810
Other	729	819
Total non-operating income	1,508	2,305
Non-operating expenses		
Interest expenses	441	395
Foreign exchange losses	148	—
Other	437	287
Total non-operating expenses	1,027	683
Ordinary income	8,695	10,775

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	Three months ended June 30, 2012 (From April 1, 2012 to June 30, 2012)	Three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013)
Extraordinary income		
Gain on sales of noncurrent assets	46	22
Insurance income	—	21
Gain on sales of investment securities	—	11
Other	0	9
Total extraordinary income	47	65
Extraordinary loss		
Loss on retirement of noncurrent assets	52	42
Loss on disaster	62	1
Loss on valuation of investment securities	253	—
Loss on sales of noncurrent assets	1	—
Other	17	4
Total extraordinary losses	387	48
Income before income taxes and minority interests	8,355	10,792
Income taxes-current	1,044	2,714
Income taxes-deferred	1,575	386
Total income taxes	2,620	3,101
Income before minority interests	5,735	7,691
Minority interests in income	138	143
Net income	5,596	7,548

Note: Amounts less than one million yen are omitted.

(3) Consolidated Statement of Comprehensive Income (Unaudited)

(Millions of Yen)

	Three months ended June 30, 2012 (From April 1, 2012 to June 30, 2012)	Three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013)
Income before minority interests	5,735	7,691
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,122)	662
Deferred gains or losses on hedges	477	1,164
Foreign currency translation adjustment	68	670
Share of other comprehensive income of associates accounted for using equity method	795	1,241
Total other comprehensive income	(780)	3,739
Comprehensive income	4,954	11,430
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	4,775	11,218
Comprehensive income attributable to minority interests	179	211

5. Segment Information

Segment information by business type as of June 30, 2013 and 2012 is summarized as follows :

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

For the three months ended June 30 ,2013(From April 1, 2013 to June 30, 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	15,024	45,784	21,826	20,070	5,568	108,274	383	108,658	-	108,658
(2) Intersegment	9,671	7,551	428	3	0	17,654	1,578	19,232	(19,232)	-
Total	24,696	53,335	22,254	20,073	5,568	125,928	1,962	127,891	(19,232)	108,658
Segment income (note 2)	2,202	3,266	1,597	1,534	468	9,069	(27)	9,041	111	9,152

For the three months ended June 30 ,2012(From April 1, 2012 to June 30, 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	14,067	40,203	18,809	19,180	5,785	98,046	350	98,397	-	98,397
(2) Intersegment	8,575	6,540	532	4	0	15,652	1,656	17,308	(17,308)	-
Total	22,643	46,743	19,341	19,185	5,785	113,699	2,006	115,706	(17,308)	98,397
Segment income (note 2)	1,291	2,509	2,140	1,536	512	7,989	647	8,637	(422)	8,215

For the three months ended June 30 ,2013(From April 1, 2013 to June 30, 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	152,394	464,397	221,383	203,573	56,481	1,098,229	3,893	1,102,123	-	1,102,123
(2) Intersegment	98,098	76,590	4,347	30	-	179,067	16,009	195,077	(195,077)	-
Total	250,492	540,987	225,731	203,604	56,481	1,277,297	19,903	1,297,201	(195,077)	1,102,123
Segment income (note 2)	22,340	33,133	16,202	15,565	4,747	91,989	(279)	91,709	1,128	92,838

(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 powders, 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 ¥98.59=US\$1, the prevailing exchange rate as of June 30, 2013 is used.