



Fiscal 2013 First Quarter Supplementary Information

August 8, 2013

Dowa Holdings Co., Ltd.

* Forward-looking statements made in this document, such as business forecasts, are based on the information available at this time and on certain premises that the Company assumes to be reasonable. Actual performance may differ materially from such forecasts due to a variety of factors.

Overview of Operating Results

Billion yen

	FY2012		FY2013		Change			
	1st Quarter Results	Full Year Results	1st Quarter Results	Full Year Forecasts	1st Quarter		Full Year	
Net Sales	98.3	419.3	108.6	450.0	10.2	10%	30.7	7%
Operating Income	8.2	24.5	9.1	29.0	0.9	11%	4.5	18%
Ordinary Income	8.6	27.2	10.7	31.0	2.0	24%	3.8	14%
Net Income	5.5	15.2	7.5	18.0	1.9	36%	2.8	18%

Exchange rate and metal prices

	FY2012		FY2013		
	1Q Average	Full Year Average	1Q Average	Full Year Assumption	July Average
Exchange rate: (¥/\$)	80.2	83.1	98.8	90.0	99.8
Copper: (\$/t)	7,866	7,855	7,146	7,000	6,893
Zinc: (\$/t)	1,928	1,950	1,840	1,900	1,836
Indium: (\$/kg)	507	499	516	550	553

Major Products & Services

		FY2012				FY2013
		1Q	2Q	3Q	4Q	1Q
Environmental Management & Recycling	Waste processing (Japan)	100	106	110	109	115
	E-scrap collection (to Kosaka)	100	117	130	101	110
	Waste treatment revenue (Southeast Asia)	100	94	100	127	109
Nonferrous Metals	Silver production (Kosaka)	100	96	117	119	125
	Zinc production (Akita)	100	75	104	99	108
Electronic Materials	Compound semiconductor	100	83	78	59	86
	LED	100	111	106	100	130
	Silver powder	100	59	52	69	93
Metal Processing	Copper alloy strips	100	98	87	87	98
Heat Treatment	Heat treatment	100	94	94	99	100

Indexes (100 for Q1 of FY 2012)

Income Statements

Million yen

	FY2012 Q1	FY2013 Q1	Change
Net Sales	98,397	108,658	10,260
Cost of Sales	82,866	92,071	9,204
Gross Profit	15,531	16,587	1,056
Selling, General, and Administrative Expenses, R&D Expenses	7,315	7,434	118
Operating Income	8,215	9,152	937
Other Income	1,508	2,305	797
Interest and dividend income	291	327	35
Equity in earnings of affiliates	487	810	323
Other income	729	1,167	438
Other Expenses	1,027	683	(343)
Interest expenses paid	441	395	(46)
Equity in losses of affiliates	0	0	0
Other expenses	585	287	(297)
Ordinary Income	8,695	10,775	2,079
Extraordinary Profits	47	65	18
Gain on sale of property, plant and equipment	46	22	(23)
Gain on sale of investment securities	0	11	11
Subsidy	0	21	21
Other profits	0	9	9
Extraordinary Losses	387	48	(339)
Loss on disposal of property, plant and equipment	52	42	(9)
Loss on valuation of investment securities	253	0	(253)
Impairment loss	0	0	0
Loss on liquidation of business, cost of structural reforms	0	1	1
Loss on disaster	62	1	(61)
Other	18	3	(15)
Income Before Income Taxes and Minority Interests	8,355	10,792	2,437
Income Taxes	2,620	3,101	481
Minority Interests in Income	138	143	4
Net Income	5,596	7,548	1,951

Consolidated Results (1st Quarter by segment)

Billion yen

	FY2012 Q1 Results			FY2013 Q1 Results			Change		
	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income
Environmental Management & Recycling	22.6	1.2	1.2	24.6	2.2	2.3	2.0	0.9	1.0
Nonferrous Metals	46.7	2.5	3.1	53.3	3.2	4.0	6.5	0.7	0.8
Electronic Materials	19.3	2.1	2.2	22.2	1.5	2.0	2.9	(0.5)	(0.1)
Metal Processing	19.1	1.5	1.6	20.0	1.5	1.6	0.8	0.0	0.0
Heat Treatment	5.7	0.5	0.4	5.5	0.4	0.4	(0.2)	(0.0)	0.0
Other/ Elimination	(15.3)	0.2	(0.0)	(17.2)	0.0	0.1	(1.9)	(0.1)	0.2
Total	98.3	8.2	8.6	108.6	9.1	10.7	10.2	0.9	2.0

Analysis of Factors in Growth and Decline in Ordinary Income (1st Quarter by segment)

Billion yen

FY2013 Q1 Results - FY2012 Q1 Results		Environmental Management & Recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Other	Total
Effects of measures, and changes of sales, etc.		0.9	0.4	(0.5)	(0.0)	(0.0)	(0.1)	0.5
Of the above, free metal income difference (volume difference)			(0.4)					(0.4)
Free metal income difference (price difference)			0.4					0.4
Conditions of raw material (changes in exchange rate and base conditions)			0.5					0.5
Difference between market value and book value on payments, and difference in market value at end of period			(0.7)					(0.7)
Other specific factors								
Depreciation		0.0	0.2	(0.1)	0.0	(0.0)	0.0	0.1
Change in operating profit		0.9	0.7	(0.5)			(0.1)	0.9
Effects of non-operating income and expenses	Equity method income or loss	0.1	(0.0)	(0.0)	0.0		0.2	0.3
	Other	0.1	0.1	0.4	0.0	0.1	0.1	0.8
Change in ordinary profit		1.0	0.8	(0.1)			0.2	2.0

Balance Sheets (Consolidated Results)

Million yen

Accounts	March 31, 2013	June 30, 2013	Change	Accounts	March 31, 2013	June 30, 2013	Change
Assets				Liabilities			
Current Assets	171,287	165,705	(5,582)	Current Liabilities	133,125	122,684	(10,441)
Cash and time deposits	6,163	4,611	(1,552)	Notes and accounts payable	42,403	29,705	(12,697)
Notes and accounts receivable	71,829	69,600	(2,228)	Short-term borrowings	52,514	67,414	14,899
Inventories	80,282	75,845	(4,437)	Corporate bonds due within one year			
Deferred tax assets	3,287	2,351	(936)	Accrued income taxes, etc.	5,353	2,154	(3,198)
Other current assets	9,783	13,338	3,555	Ingot leasing liabilities	9,519	4,007	(5,511)
Allowance for doubtful accounts	(59)	(42)	16	Other current liabilities	23,335	19,402	(3,933)
				Long-Term Liabilities	74,260	70,395	(3,865)
Fixed Assets	178,500	177,332	(1,168)	Corporate bonds	10,000	10,000	
Tangible fixed assets	103,647	103,441	(205)	Long-term debt	44,623	42,192	(2,430)
Intangible fixed assets	11,217	11,312	95	Reserve for employees' retirement benefits	10,990	11,084	93
Investments in securities	56,187	56,941	753	Deferred tax liabilities	2,969	1,487	(1,482)
Deferred tax assets	3,976	2,138	(1,837)	Other long-term liabilities	5,676	5,630	(46)
Other investments	3,638	3,663	24	Total Liabilities	207,386	193,079	(14,306)
Allowance for doubtful accounts	(165)	(165)		Net Assets			
				Shareholders' Equity	125,291	129,144	3,853
				Common stock	36,437	36,437	
				Additional paid-in capital	26,362	26,362	
				Retained earnings	68,180	72,035	3,854
				Treasury stock, at cost	(5,688)	(5,690)	(1)
				Adjustments for Valuation Foreign Currency Translation and Others	8,302	11,973	3,670
				Unrealized gains on available-for-sale securities	8,990	9,984	994
				Net deferred hedge income	89	1,365	1,275
				Foreign currency translation adjustments	(777)	623	1,401
				Minority Interests	8,807	8,839	32
				Total Net Assets	142,400	149,957	7,556
Total Assets	349,787	343,037	(6,750)	Total Liabilities and Net Assets	349,787	343,037	(6,750)
				Interests-bearing debt	107,138	119,607	12,468
				Cash and time deposits	6,163	4,611	(1,552)
				Actual balance	100,975	114,996	14,020
				Equity ratio	38.2%	41.1%	2.9%
				ROA	8.1%	12.4%	4.3%

Consolidated Statements of Cash Flows (Reference)

Million yen

	FY2012 Q1 Results	FY2013 Q1 Results	Change
I. Cash Flows from Operating Activities			
Income before income taxes and minority interest	8,355	10,792	2,437
Adjustments (non-cash)			
Depreciation	4,044	3,864	(180)
Equity in (earnings) losses of affiliates	(487)	(810)	(323)
Change of business, impairment loss	0	0	0
(Gain) loss due to sale or disposal of securities, property, plant and equipment	7	19	12
Loss on valuation of investment securities	253	(11)	(265)
Increase in allowance for doubtful accounts	(1,284)	(1,640)	(356)
Interest income and expenses and dividends	1,521	2,305	784
Income taxes paid	(2,993)	(5,914)	(2,920)
Other, net	(585)	(717)	(132)
Total for profit/loss items	8,832	7,888	(943)
Increase/decrease in assets/liabilities			
Increase/decrease in trade receivable/payable	(7,733)	(9,601)	(1,867)
Increase/decrease in inventories	8,553	4,695	(3,857)
Other, net	(1,896)	(9,477)	(7,581)
Total for balance sheet items	(1,076)	(14,383)	(13,307)
Net cash provided by (used in) operating activities	7,755	(6,495)	(14,250)

Free cash flow

4,090 (9,877) (13,967)

	FY 2012 Q1 Results	FY2013 Q1 Results	Change
II. Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	(3,665)	(3,382)	283
Sale and acquisition of securities	(644)	(256)	388
Change in loans	41	39	(2)
Proceeds from disposal and sale of property, plant and equipment	601	25	(575)
Other, net	121	23	(97)
Net cash used in investing activities	(3,546)	(3,551)	(4)
III. Cash Flows from Financing Activities			
Change in borrowings and corporate bonds	(460)	12,041	12,502
Purchases of treasury stock and issuance of common stock	42	(1)	(43)
Cash dividends paid	(2,937)	(3,646)	(708)
Other, net	(115)	(98)	17
Net cash used in financing activities	(3,471)	8,295	11,767
Effect of Exchange Rate Changes on Cash and Cash Equivalents	43	96	52
Net Decrease in Cash and Cash Equivalents	781	(1,654)	(2,436)
Cash and Cash Equivalents of Newly Consolidated Subsidiary	446	102	(344)
Cash and Cash Equivalents at Beginning of Term	4,788	6,129	1,341
Cash and Cash Equivalents at End of Term	6,016	4,577	(1,439)
Balance of interest-bearing debt	117,846	119,607	1,760

(For reference)