

Consolidated Financial Summary  
for the year ended March 31, 2017 (Unaudited)



May 09 2017

**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 general meeting of stockholders: June 27, 2017  
Scheduled date of submission: June 27, 2017  
Scheduled date of commencement of dividend payments: June 06, 2017

1. Consolidated business results for the year ended March 31, 2017 (April 1, 2016 – March 31, 2017)

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

(1) Consolidated financial results

(%: Change from the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Year ended March 31, 2017	410,503	1.0	33,990	(3.1)	36,504	4.1	26,169	19.9
Year ended March 31, 2016	406,598	(12.4)	35,067	(10.3)	35,056	(16.6)	21,826	(17.8)

(Notes) Comprehensive income: Year ended March 31, 2017 30,137 million yen 132.6 % Year ended March 31, 2016 12,959 million yen (62.9) %

	Net income per share	Net income per share (fully diluted)	Net Income on Shareholder's equity	Return on Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
Year ended March 31, 2017	88.43	—	12.6	9.5	8.3
Year ended March 31, 2016	73.75	—	11.4	9.4	8.6

(Reference) Gain on investment securities: Year ended March 31, 2017 2,029 million yen Year ended March 31, 2016 75 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of March 31, 2017	404,604	227,821	54.2	741.06
As of March 31, 2016	364,420	203,370	53.5	658.66

(Reference) Shareholders' equity: As of March 31, 2017 219,303 million yen As of March 31, 2016 194,921 million yen

(3) Consolidated Statements of Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Year ended March 31, 2017	29,389	(25,954)	(7,155)	15,126
Year ended March 31, 2016	45,751	(23,486)	(11,159)	18,902

2. Dividends

(Record date)	Dividends per share					Total Amount (Annual)	Dividend pay out (Consolidated)	Dividend Rate (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
Fiscal year ended March 31, 2016	—	—	—	18.00	18.00	5,409	24.4	2.8
Fiscal year ended March 31, 2017	—	—	—	18.00	18.00	5,409	20.4	2.6
Fiscal year ending March 31, 2018 (forecast)	—	—	—	90.00	90.00	—	20.5	—

Since we plan to consolidate common shares at the ratio of five shares to one share on October 1, 2017 on the condition that the proposal for the share consolidation is approved at the 114th ordinary general meeting of shareholders scheduled to be held in June 2017, the year-end dividend per share for the fiscal year ending March 31, 2018 (forecast) is considered the effect of the share consolidation. The year-end dividend per share for the fiscal year ending March 31, 2018 (forecast) without considering the share consolidation is 18 yen.

For details, please refer to "Notice of Change in the Number of Shares Constituting One Unit of Shares, Share Consolidation, and Partial Amendment of Articles of Incorporation" announced today.

3. Forecast consolidated results for the fiscal year ending March 31, 2018 (April 1, 2017 – March 31, 2018)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First half	208,000	12.6	15,000	12.5	16,000	17.8	11,500	16.4	38.86
Full year	434,000	5.7	34,000	0.0	36,500	(0.0)	26,000	(0.6)	439.29

Net income per share for the fiscal year ending March 31, 2018 (full year) is considered the effect of the above share consolidation. Net income per share for the fiscal year ending March 31, 2018 (full year) without considering the share consolidation is 87.86 yen.

For details, please refer to "Notice of Change in the Number of Shares Constituting One Unit of Shares, Share Consolidation, and Partial Amendment of Articles of Incorporation" announced today.

#### 4. Consolidated Financial Statements

##### (1) Consolidated Balance Sheets (Unaudited)

(Millions of Yen)

	As of end of previous fiscal year (March 31, 2016)	As of end of current fiscal year (March 31, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	19,364	15,589
Notes and accounts receivable - trade	62,202	80,169
Merchandise and finished goods	21,586	23,336
Work in process	4,186	4,799
Raw materials and supplies	43,504	53,664
Deferred tax assets	4,171	3,953
Other	13,819	13,419
Allowance for doubtful accounts	(174)	(109)
<b>Total current assets</b>	<b>168,662</b>	<b>194,824</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	109,156	115,930
Accumulated depreciation	(64,491)	(67,380)
Buildings and structures, net	44,665	48,549
Machinery, equipment and vehicles	220,668	233,452
Accumulated depreciation	(192,847)	(198,085)
Machinery, equipment and vehicles, net	27,820	35,367
Land	23,390	23,483
Construction in progress	11,036	7,615
Other	15,207	15,657
Accumulated depreciation	(11,514)	(12,120)
Other, net	3,693	3,536
<b>Total property, plant and equipment</b>	<b>110,607</b>	<b>118,553</b>
Intangible assets		
Goodwill	6,179	5,706
Other	4,116	4,243
<b>Total intangible assets</b>	<b>10,296</b>	<b>9,950</b>
Investments and other assets		
Investment securities	64,773	71,940
Long-term loans receivable	1,993	2,494
Deferred tax assets	3,939	3,723
Other	4,248	3,215
Allowance for doubtful accounts	(99)	(98)
<b>Total investments and other assets</b>	<b>74,855</b>	<b>81,275</b>
<b>Total non-current assets</b>	<b>195,758</b>	<b>209,780</b>
<b>Total assets</b>	<b>364,420</b>	<b>404,604</b>

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	As of end of previous fiscal year (March 31, 2016)	As of end of current fiscal year (March 31, 2017)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	28,720	34,268
Short-term loans payable	32,407	38,956
Commercial papers	14,000	12,000
Income taxes payable	2,506	5,871
Accrued consumption taxes	1,471	1,816
Provision		
Provision for bonuses	3,905	3,777
Provision for directors' bonuses	250	208
Total provisions	4,155	3,985
Other	17,384	24,215
Total current liabilities	100,646	121,114
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	24,727	18,926
Deferred tax liabilities	2,072	3,293
Provision		
Provision for directors' retirement benefits	841	753
Other provision	770	523
Total provisions	1,611	1,277
Net defined benefit liability	15,880	16,428
Other	6,111	5,741
Total non-current liabilities	60,403	55,667
Total liabilities	161,049	176,782
Net assets		
Shareholders' equity		
Capital stock	36,437	36,437
Capital surplus	26,426	26,350
Retained earnings	125,049	145,809
Treasury shares	(5,701)	(5,703)
Total shareholders' equity	182,211	202,894
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,649	14,466
Deferred gains or losses on hedges	(227)	139
Foreign currency translation adjustment	3,378	2,516
Remeasurements of defined benefit plans	(1,091)	(713)
Total accumulated other comprehensive income	12,709	16,408
Non-controlling interests	8,449	8,518
Total net assets	203,370	227,821
Total liabilities and net assets	364,420	404,604

Note: Amounts less than one million yen are omitted.

**(2) Consolidated Statements of Income (Unaudited)**

(Millions of Yen)

	Previous fiscal year (From April 1, 2015 to March 31, 2016)	Current fiscal year (From April 1, 2016 to March 31, 2017)
Net sales	406,598	410,503
Cost of sales	337,314	341,177
Gross profit	69,283	69,325
Selling, general and administrative expenses		
Freightage related expenses	4,008	4,170
Sales commission	630	584
Directors' compensations	1,437	1,456
Salaries and allowances	6,367	6,405
Welfare expenses	2,030	1,987
Provision for bonuses	896	888
Retirement benefit expenses	629	766
Provision for directors' retirement benefits	201	201
Rent expenses	808	826
Taxes and dues	1,160	1,431
Traveling and transportation expenses	1,547	1,515
Depreciation	1,240	1,293
Development and research expenses	5,594	5,670
Amortization of goodwill	543	501
Other	7,119	7,634
Total selling, general and administrative expenses	34,216	35,335
Operating profit	35,067	33,990
Non-operating income		
Interest income	233	284
Dividend income	715	563
Share of profit of entities accounted for using equity method	75	2,029
Royalty income	1,252	1,066
Other	1,398	1,569
Total non-operating income	3,674	5,512
Non-operating expenses		
Interest expenses	922	808
Foreign exchange losses	901	306
Environmental expenses	513	556
Loss on disposal of non-current assets	—	549
Other	1,348	778
Total non-operating expenses	3,685	2,999
Ordinary profit	35,056	36,504

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	Previous fiscal year (From April 1, 2015 to March 31, 2016)	Current fiscal year (From April 1, 2016 to March 31, 2017)
Extraordinary income		
Gain on sales of non-current assets	105	1,404
Gain on sales of investment securities	1,320	406
Insurance income	363	—
Subsidy income	264	—
Other	—	56
Total extraordinary income	2,053	1,867
Extraordinary losses		
Loss on retirement of non-current assets	903	1,047
Impairment loss	1,796	377
Loss on sales of non-current assets	48	65
Loss on valuation of investment securities	1,676	—
Environmental expenses	633	—
Other	228	145
Total extraordinary losses	5,287	1,636
Profit before income taxes	31,822	36,735
Income taxes - current	9,755	10,468
Income taxes - deferred	344	(207)
Total income taxes	10,099	10,260
Profit	21,723	26,474
Profit (loss) attributable to non-controlling interests	(103)	304
Profit attributable to owners of parent	21,826	26,169

Note: Amounts less than one million yen are omitted.

**(3) Consolidated Statement of Comprehensive Income (Unaudited)**

(Millions of Yen)

	Previous fiscal year (From April 1, 2015 to March 31, 2016)	Current fiscal year (From April 1, 2016 to March 31, 2017)
Profit	21,723	26,474
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,400)	4,219
Deferred gains or losses on hedges	(27)	359
Foreign currency translation adjustment	(1,920)	(370)
Remeasurements of defined benefit plans, net of tax	(567)	331
Share of other comprehensive income of entities accounted for using equity method	(846)	(876)
Total other comprehensive income	(8,763)	3,663
Comprehensive income	12,959	30,137
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,145	29,869
Comprehensive income attributable to non-controlling	(186)	267

Note: Amounts less than one million yen are omitted.

**(4) Consolidated Statements of Changes in Equity (Unaudited)**

Previous fiscal year (From April 1, 2015 to March 31, 2016)

(Millions of Yen)

	shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of current period	36,437	26,362	108,630	(5,699)	165,731
Changes of items during period					
Dividends of surplus	—	—	(5,409)	—	(5,409)
Profit attributable to owners of parent	—	—	21,826	—	21,826
Purchase of treasury shares	—	—	—	(2)	(2)
Increase due to sale of treasury stock of affiliates	—	—	1	—	1
Change in interests in subsidiaries	—	64	—	—	64
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during period	—	64	16,418	(2)	16,480
Balance at end of current period	36,437	26,426	125,049	(5,701)	182,211

	Valuation and translation adjustments				Valuation and translation adjustments	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			
Balance at beginning of current period	15,801	(197)	6,167	(381)	21,390	8,528	195,649
Changes of items during period							
Dividends of surplus	—	—	—	—	—	—	(5,409)
Profit attributable to owners of parent	—	—	—	—	—	—	21,826
Purchase of treasury shares	—	—	—	—	—	—	(2)
Increase due to sale of treasury stock of affiliates	—	—	—	—	—	—	1
Change in interests in subsidiaries	—	—	—	—	—	—	64
Net changes of items other than shareholders' equity	(5,152)	(30)	(2,789)	(709)	(8,681)	(78)	(8,759)
Total changes of items during period	(5,152)	(30)	(2,789)	(709)	(8,681)	(78)	7,720
Balance at end of current period	10,649	(227)	3,378	(1,091)	12,709	8,449	203,370

Note: Amounts less than one million yen are omitted.

Current fiscal year (From April 1, 2016 to March 31, 2017)

(Millions of Yen)

	shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	36,437	26,426	125,049	(5,701)	182,211
Changes of items during period					
Dividends of surplus	—	—	(5,409)	—	(5,409)
Profit attributable to owners of parent	—	—	26,169	—	26,169
Purchase of treasury shares	—	—	—	(2)	(2)
Increase due to sale of treasury stock of affiliates	—	—	0	—	0
Change of scope of consolidation	—	—	0	—	0
Change in interests in subsidiaries	—	(75)	—	—	(75)
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during period	—	(75)	20,760	(2)	20,682
Balance at end of current period	36,437	26,350	145,809	(5,703)	202,894

	Valuation and translation adjustments					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	Valuation and translation adjustments		
Balance at beginning of current period	10,649	(227)	3,378	(1,091)	12,709	8,449	203,370
Changes of items during period							
Dividends of surplus	—	—	—	—	—	—	(5,409)
Profit attributable to owners of parent	—	—	—	—	—	—	26,169
Purchase of treasury shares	—	—	—	—	—	—	(2)
Increase due to sale of treasury stock of affiliates	—	—	—	—	—	—	0
Change of scope of consolidation	—	—	—	—	—	—	0
Change in interests in subsidiaries	—	—	—	—	—	—	(75)
Net changes of items other than shareholders' equity	3,817	367	(861)	377	3,699	68	3,768
Total changes of items during period	3,817	367	(861)	377	3,699	68	24,451
Balance at end of current period	14,466	139	2,516	(713)	16,408	8,518	227,821

Note: Amounts less than one million yen are omitted.



**(4) Consolidated Statements of Cash Flows (Unaudited)**

(Millions of Yen)

	Previous fiscal year (From April 1, 2015 to March 31, 2016)	Current fiscal year (From April 1, 2016 to March 31, 2017)
<b>Cash flows from operating activities</b>		
Profit before income taxes	31,822	36,735
Depreciation and amortization	15,145	15,796
Impairment loss	1,796	377
Amortization of goodwill	543	501
Increase (decrease) in allowance for doubtful accounts	(24)	(62)
Increase (decrease) in other provision	414	(208)
Increase (decrease) in net defined benefit liability	425	597
Interest and dividend income	(949)	(847)
Interest expenses	922	808
Foreign exchange losses (gains)	316	57
Share of (profit) loss of entities accounted for using equity method	(75)	(2,029)
Loss (gain) on sales of non-current assets	(56)	(1,338)
Loss on retirement of non-current assets	903	1,049
Loss (gain) on sales of investment securities	(1,320)	(383)
Loss (gain) on valuation of investment securities	1,676	—
Decrease (increase) in notes and accounts receivable-trade	10,609	(18,222)
Decrease (increase) in inventories	11,860	(12,730)
Increase (decrease) in notes and accounts payable-trade	(1,705)	5,724
Increase (decrease) in accrued consumption taxes	(3,608)	498
Other, net	(6,162)	6,771
Subtotal	62,534	33,093
Interest and dividend income received	1,101	3,096
Interest expenses paid	(904)	(800)
Income taxes (paid) refund	(16,980)	(5,999)
Net cash provided by (used in) operating activities	45,751	29,389

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	Previous fiscal year (From April 1, 2015 to March 31, 2016)	Current fiscal year (From April 1, 2016 to March 31, 2017)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(19,912)	(25,264)
Proceeds from sales of property, plant and	450	1,674
Purchase of intangible assets	(752)	(700)
Purchase of investment securities	(9)	(17)
Proceeds from sales of investment securities	2,433	675
Purchase of shares of subsidiaries and associates	(4,636)	(2,125)
Proceeds from sales of shares of subsidiaries and associates	136	157
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(46)	—
Proceeds from subsidy	867	946
Payments of loans receivable	(1,239)	(2,030)
Collection of loans receivable	608	880
Purchase of other investments	(708)	—
Other, net	(678)	(150)
Net cash provided by (used in) investing activities	(23,486)	(25,954)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans	5,379	9,564
Net increase (decrease) in commercial papers	(4,000)	(2,000)
Proceeds from long-term loans payable	8,542	3,380
Repayments of long-term loans payable	(15,360)	(11,944)
Repayments of lease obligations	(483)	(453)
Proceeds from share issuance to non-controlling shareholders	320	370
Purchase of treasury shares	(2)	(2)
Cash dividends paid	(5,407)	(5,408)
Dividends paid to non-controlling interests	(148)	(146)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(498)
Other, net	—	(17)
Net cash provided by (used in) financing activities	(11,159)	(7,155)
Effect of exchange rate change on cash and cash equivalents	(248)	(54)
Net increase (decrease) in cash and cash equivalents	10,857	(3,775)
Cash and cash equivalents at beginning of period	8,044	18,902
Cash and cash equivalents at end of period	18,902	15,126

Note: Amounts less than one million yen are omitted.

## 5. Segment Information

Segment information by business type as of March 31, 2016 and 2017 is summarized as follows :  
(Amounts less than one million yen are omitted.)

For the year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)

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	62,357	194,664	46,317	77,401	24,186	404,927	1,670	406,598	-	406,598
(2) Intersegment	35,948	20,277	2,017	11	1	58,255	9,592	67,848	(67,848)	-
Total	98,306	214,941	48,335	77,412	24,187	463,183	11,263	474,446	(67,848)	406,598
Segment income (note 2)	6,314	13,325	8,026	4,911	1,352	33,931	503	34,434	632	35,067
Segment Assets	86,825	129,255	42,295	51,698	37,135	347,209	7,823	355,033	9,386	364,420
Other items										
Depreciation	4,723	2,929	2,461	2,079	2,009	14,203	203	14,407	738	15,145
Amortization of goodwill	348	-	-	44	149	543	-	543	-	543
Investments in affiliates accounted for by equity method	2,820	12,332	161	296	-	15,611	-	15,611	15,445	31,056
Increase in property, plant and equipment and intangible assets	7,900	5,277	3,882	2,629	2,467	22,156	143	22,299	636	22,936

For the year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

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	60,239	187,517	60,122	75,456	25,118	408,454	2,048	410,503	-	410,503
(2) Intersegment	36,707	20,260	2,460	25	0	59,454	10,159	69,614	(69,614)	-
Total	96,947	207,778	62,583	75,481	25,119	467,909	12,208	480,117	(69,614)	410,503
Segment income (note 2)	6,629	10,055	6,579	6,966	2,378	32,610	944	33,554	436	33,990
Segment Assets	87,111	144,423	53,059	63,163	39,779	387,538	8,569	396,107	8,496	404,604
Other items										
Depreciation	4,586	3,859	2,398	2,038	1,998	14,881	203	15,085	711	15,796
Amortization of goodwill	348	-	-	-	152	501	-	501	-	501
Investments in affiliates accounted for by equity method	3,026	11,994	168	319	-	15,508	-	15,508	15,160	30,668
Increase in property, plant and equipment and intangible assets	5,582	8,125	3,781	3,273	3,338	24,101	310	24,411	2,115	26,526

(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 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.