

Consolidated Financial Summary
for the year ended March 31, 2016 (Unaudited)



May 10 2016

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 24, 2016
Scheduled date of submission: June 24, 2016
Scheduled date of commencement of dividend payments: June 03, 2016

1. Consolidated business results for the year ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(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, 2016	406,598	(12.4)	35,067	(10.3)	35,056	(16.6)	21,826	(17.8)
Year ended March 31, 2015	464,219	4.6	39,094	23.0	42,037	19.9	26,543	13.9

(Notes) Comprehensive income: Year ended March 31, 2016 12,959 million yen (62.9) % Year ended March 31, 2015 34,913 million yen 19.3 %

	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, 2016	73.75	—	11.4	9.4	8.6
Year ended March 31, 2015	89.69	—	15.4	11.4	8.4

(Reference) Gain on investment securities: Year ended March 31, 2016 75 million yen Year ended March 31, 2015 1,973 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, 2016	364,420	203,370	53.5	658.66
As of March 31, 2015	379,193	195,649	49.3	632.30

(Reference) Shareholders' equity: As of March 31, 2016 194,921 million yen As of March 31, 2015 187,121 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, 2016	45,751	(23,486)	(11,159)	18,902
Year ended March 31, 2015	38,345	(20,321)	(16,905)	8,044

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, 2015	—	—	—	18.00	18.00	5,409	20.1	3.1
Fiscal year ended March 31, 2016	—	—	—	18.00	18.00	5,409	24.4	2.8
Fiscal year ending March 31, 2017 (forecast)	—	—	—	18.00	18.00	—	26.6	—

3. Forecast consolidated results for the fiscal year ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(%: 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	185,000	(11.2)	11,500	(43.2)	10,500	(49.0)	7,500	(37.8)	25.34
Full year	385,000	(5.3)	29,000	(17.3)	29,000	(17.3)	20,000	(8.4)	67.58

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets (Unaudited)

(Millions of Yen)

	As of end of previous fiscal year (March 31, 2015)	As of end of current fiscal year (March 31, 2016)
Assets		
Current assets		
Cash and deposits	8,517	19,364
Notes and accounts receivable - trade	73,126	62,202
Merchandise and finished goods	22,306	21,586
Work in process	4,750	4,186
Raw materials and supplies	54,540	43,504
Deferred tax assets	5,248	4,171
Other	11,888	13,819
Allowance for doubtful accounts	(163)	(174)
Total current assets	180,215	168,662
Non-current assets		
Property, plant and equipment		
Buildings and structures	105,728	109,156
Accumulated depreciation	(61,101)	(64,491)
Buildings and structures, net	44,627	44,665
Machinery, equipment and vehicles	216,606	220,668
Accumulated depreciation	(187,294)	(192,847)
Machinery, equipment and vehicles, net	29,312	27,820
Land	23,666	23,390
Construction in progress	6,644	11,036
Other	14,154	15,207
Accumulated depreciation	(10,730)	(11,514)
Other, net	3,424	3,693
Total property, plant and equipment	107,675	110,607
Intangible assets		
Goodwill	6,970	6,179
Other	4,019	4,116
Total intangible assets	10,990	10,296
Investments and other assets		
Investment securities	70,764	64,773
Long-term loans receivable	1,457	1,993
Deferred tax assets	3,372	3,939
Other	4,852	4,248
Allowance for doubtful accounts	(134)	(99)
Total investments and other assets	80,312	74,855
Total non-current assets	198,978	195,758
Total assets	379,193	364,420

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	As of end of previous fiscal year (March 31, 2015)	As of end of current fiscal year (March 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,041	28,720
Short-term loans payable	30,459	32,407
Commercial papers	18,000	14,000
Income taxes payable	8,623	2,506
Accrued consumption taxes	4,934	1,471
Provision		
Provision for bonuses	3,702	3,905
Provision for directors' bonuses	235	250
Total provisions	3,937	4,155
Other	21,821	17,384
Total current liabilities	118,817	100,646
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	28,208	24,727
Deferred tax liabilities	4,420	2,072
Provision		
Provision for directors' retirement benefits	691	841
Other provision	444	770
Total provisions	1,135	1,611
Net defined benefit liability	14,508	15,880
Other	6,453	6,111
Total non-current liabilities	64,725	60,403
Total liabilities	183,543	161,049
Net assets		
Shareholders' equity		
Capital stock	36,437	36,437
Capital surplus	26,362	26,426
Retained earnings	108,630	125,049
Treasury shares	-5,699	-5,701
Total shareholders' equity	165,731	182,211
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,801	10,649
Deferred gains or losses on hedges	-197	-227
Foreign currency translation adjustment	6,167	3,378
Remeasurements of defined benefit plans	-381	-1,091
Total accumulated other comprehensive income	21,390	12,709
Non-controlling interests	8,528	8,449
Total net assets	195,649	203,370
Total liabilities and net assets	379,193	364,420

Note: Amounts less than one million yen are omitted.

(2) Consolidated Statements of Income (Unaudited)

(Millions of Yen)

	Previous fiscal year (From April 1, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Net sales	464,219	406,598
Cost of sales	391,509	337,314
Gross profit	72,710	69,283
Selling, general and administrative expenses		
Freightage related expenses	3,774	4,008
Sales commission	582	630
Directors' compensations	1,312	1,437
Salaries and allowances	6,324	6,367
Welfare expenses	1,948	2,030
Provision for bonuses	948	896
Retirement benefit expenses	703	629
Provision for directors' retirement benefits	191	201
Rent expenses	809	808
Taxes and dues	885	1,160
Traveling and transportation expenses	1,564	1,547
Depreciation	1,177	1,240
Development and research expenses	5,320	5,594
Amortization of goodwill	502	543
Other	7,569	7,119
Total selling, general and administrative expenses	33,616	34,216
Operating income	39,094	35,067
Non-operating income		
Interest income	177	233
Dividend income	638	715
Foreign exchange gains	585	—
Share of profit of entities accounted for using equity method	1,973	75
Royalty income	747	1,252
Other	2,010	1,398
Total non-operating income	6,133	3,674
Non-operating expenses		
Interest expenses	1,165	922
Foreign exchange losses	—	901
Environmental expenses	551	513
Other	1,472	1,348
Total non-operating expenses	3,190	3,685
Ordinary income	42,037	35,056

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	Previous fiscal year (From April 1, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Extraordinary income		
Gain on sales of investment securities	142	1,320
Insurance income	42	363
Subsidy income	35	264
Gain on sales of non-current assets	4,115	105
Other	12	—
Total extraordinary income	4,349	2,053
Extraordinary losses		
Impairment loss	536	1,796
Loss on valuation of investment securities	1,853	1,676
Loss on retirement of non-current assets	418	903
Environmental expenses	—	633
Loss on sales of non-current assets	11	48
Loss on disposal of non-current assets	967	—
Loss on disaster	637	—
Other	146	228
Total extraordinary losses	4,570	5,287
Profit before income taxes	41,816	31,822
Income taxes - current	14,628	9,755
Income taxes - deferred	485	344
Total income taxes	15,113	10,099
Profit	26,702	21,723
Profit (loss) attributable to non-controlling interests	158	-103
Profit attributable to owners of parent	26,543	21,826

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, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Profit	26,702	21,723
Other comprehensive income		
Valuation difference on available-for-sale securities	4,791	(5,400)
Deferred gains or losses on hedges	(508)	(27)
Foreign currency translation adjustment	3,023	(1,920)
Remeasurements of defined benefit plans, net of tax	91	(567)
Share of other comprehensive income of entities accounted for using equity method	812	(846)
Total other comprehensive income	8,211	(8,763)
Comprehensive income	34,913	12,959
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	34,590	13,145
Comprehensive income attributable to non-controlling	322	(186)

Note: Amounts less than one million yen are omitted.

(4) Consolidated Statements of Changes in Equity (Unaudited)
 Previous fiscal year (From April 1, 2014 to March 31, 2015)

(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	87,806	(5,695)	144,910
Cumulative effects of changes in accounting policies	—	—	(1,331)	—	(1,331)
Restated balance	36,437	26,362	86,475	(5,695)	143,579
Changes of items during period					
Dividends of surplus	—	—	(4,507)	—	(4,507)
Profit attributable to owners of parent	—	—	26,543	—	26,543
Purchase of treasury shares	—	—	—	(3)	(3)
Change of scope of consolidation	—	—	(74)	—	(74)
Increase by change in equity	—	—	193	—	193
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during period	—	—	22,155	(3)	22,151
Balance at end of current period	36,437	26,362	108,630	(5,699)	165,731

	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	10,947	315	2,604	(523)	13,343	8,733	166,987
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	(1,331)
Restated balance	10,947	315	2,604	(523)	13,343	8,733	165,655
Changes of items during period							
Dividends of surplus	—	—	—	—	—	—	(4,507)
Profit attributable to owners of parent	—	—	—	—	—	—	26,543
Purchase of treasury shares	—	—	—	—	—	—	(3)
Change of scope of consolidation	—	—	—	—	—	—	(74)
Increase by change in equity	—	—	—	—	—	—	193
Net changes of items other than shareholders' equity	4,854	(513)	3,563	142	8,047	(205)	7,842
Total changes of items during period	4,854	(513)	3,563	142	8,047	(205)	29,993
Balance at end of current period	15,801	(197)	6,167	(381)	21,390	8,528	195,649

Note: Amounts less than one million yen are omitted.

Current 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.

(5) Consolidated Statements of Cash Flows (Unaudited)

(Millions of Yen)

	Previous fiscal year (From April 1, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Cash flows from operating activities		
Profit before income taxes	41,816	31,822
Depreciation and amortization	15,572	15,145
Impairment loss	536	1,796
Amortization of goodwill	502	543
Increase (decrease) in allowance for doubtful accounts	73	(24)
Increase (decrease) in other provision	225	414
Increase (decrease) in net defined benefit liability	390	425
Interest and dividend income	(816)	(949)
Interest expenses	1,165	922
Foreign exchange losses (gains)	(77)	316
Share of (profit) loss of entities accounted for using equity method	(1,973)	(75)
Loss (gain) on sales of non-current assets	(4,103)	(56)
Loss on disposal of noncurrent assets	967	—
Loss on retirement of non-current assets	418	903
Loss (gain) on sales of investment securities	(142)	(1,320)
Loss (gain) on valuation of investment securities	1,853	1,676
Decrease (increase) in notes and accounts receivable-trade	(437)	10,609
Decrease (increase) in inventories	(3,338)	11,860
Increase (decrease) in notes and accounts payable-trade	(4,104)	(1,705)
Increase (decrease) in accrued consumption taxes	3,579	(3,608)
Other, net	(1,083)	(6,162)
Subtotal	51,024	62,534
Interest and dividend income received	2,348	1,101
Interest expenses paid	(1,180)	(904)
Income taxes (paid) refund	(13,846)	(16,980)
Net cash provided by (used in) operating activities	38,345	45,751

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	Previous fiscal year (From April 1, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Cash flows from investing activities		
Purchase of property, plant and equipment	(16,302)	(19,912)
Proceeds from sales of property, plant and equipment	4,861	450
Purchase of intangible assets	(536)	(752)
Purchase of investment securities	(1,452)	(9)
Proceeds from sales of investment securities	232	2,433
Purchase of shares of subsidiaries and associates	(4,802)	(4,636)
Proceeds from sales of shares of subsidiaries and associates	—	136
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(46)
Proceeds from subsidy	234	867
Payments of loans receivable	(1,122)	(1,239)
Collection of loans receivable	674	608
Purchase of other investments	(1,502)	(708)
Other, net	(605)	(678)
Net cash provided by (used in) investing activities	(20,321)	(23,486)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(10,306)	5,379
Net increase (decrease) in commercial papers	8,000	(4,000)
Proceeds from long-term loans payable	5,394	8,542
Repayments of long-term loans payable	(15,892)	(15,360)
Redemption of bonds	(10,000)	—
Proceeds from issuance of bonds	10,000	—
Proceeds from sales and leasebacks	369	—
Repayments of lease obligations	(213)	(483)
Proceeds from share issuance to non-controlling shareholders	400	320
Purchase of treasury shares	(3)	(2)
Cash dividends paid	(4,509)	(5,407)
Dividends paid to non-controlling interests	(143)	(148)
Net cash provided by (used in) financing activities	(16,905)	(11,159)
Effect of exchange rate change on cash and cash equivalents	855	(248)
Net increase (decrease) in cash and cash equivalents	1,973	10,857
Cash and cash equivalents at beginning of period	5,823	8,044
Increase in cash and cash equivalents from newly consolidated subsidiary	450	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(202)	—
Cash and cash equivalents at end of period	8,044	18,902

Note: Amounts less than one million yen are omitted.

5. Segment Information

Segment information by business type as of March 31, 2015 and 2016 is summarized as follows :

(Amounts less than one million yen are omitted.)

For the year ended March 31, 2015(From April 1, 2014 to March 31, 2015)

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	65,671	209,796	71,580	87,670	27,344	462,062	2,157	464,219	-	464,219
(2) Intersegment	38,179	28,759	2,066	15	0	69,021	8,424	77,445	(77,445)	-
Total	103,850	238,556	73,646	87,685	27,344	531,083	10,582	541,665	(77,445)	464,219
Segment income (note 2)	7,349	13,562	8,814	5,804	2,354	37,885	349	38,235	859	39,094
Segment Assets	83,806	141,926	45,204	57,222	37,270	365,429	7,574	373,004	6,189	379,193
Other items										
Depreciation	4,651	3,427	2,534	2,217	1,838	14,669	205	14,875	697	15,572
Amortization of goodwill	348	-	-	-	154	502	-	502	-	502
Investments in affiliates accounted for by equity method	2,540	10,876	224	958	-	14,599	-	14,599	15,509	30,109
Increase in property, plant and equipment and intangible assets	5,937	2,411	2,230	1,880	4,334	16,794	169	16,963	284	17,247

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

(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.