

Consolidated Financial Summary for the Three Months  
Ended June 30, 2015 (Unaudited)

(Japan Basis)



**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, 2015  
**Scheduled date of commencement of dividend payments:** —

1. Consolidated business results for the three months ended June 30, 2015 (April 1, 2015 – June 30, 2015)

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

(1) Consolidated financial results: (Note: Change from the same period of 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	%
Three months ended June 30, 2015	107,806	(1.7)	11,576	23.2	12,000	17.8	6,203	(11.8)
Three months ended June 30, 2014	109,671	0.9	9,398	2.7	10,183	(5.5)	7,030	(6.9)

(Notes) Comprehensive income Three months ended June 30, 2015 9,742 million yen 52.7 % Three months ended June 30, 2014 6,379 million yen (44.2) %

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Three months ended June 30, 2015	20.96	—
Three months ended June 30, 2014	23.76	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
As of June 30, 2015	403,764	199,840	47.3
As of March 31, 2015	379,193	195,649	49.3

(Reference) Shareholders' equity As of June 30, 2015: 191,062 million yen As of March 31, 2015: 187,121 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, 2015	Yen —	Yen —	Yen —	Yen 18.00	Yen 18.00
Fiscal year ending March 31, 2016	—	—	—	—	—
Fiscal year ending March 31, 2016 (forecast)	—	—	—	18.00	18.00

(Note) Revisions of expected dividends in the current period: None

3. Forecast consolidated results for the fiscal year ending March 31, 2015 (April 1, 2015 – March 31, 2016)

(%: 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	214,000	(4.3)	18,500	10.0	18,500	0.0	11,500	(5.7)	38.86	
Full year	445,000	(4.1)	42,500	8.7	42,500	1.1	27,000	1.7	91.24	

(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, 2015)	As of end of first quarter (June 30, 2015)
<b>Assets</b>		
Current assets		
Cash and deposits	8,517	8,880
Notes and accounts receivable - trade	73,126	71,416
Merchandise and finished goods	22,306	28,244
Work in process	4,750	5,149
Raw materials and supplies	54,540	70,172
Deferred tax assets	5,248	3,167
Other	11,888	15,704
Allowance for doubtful accounts	(163)	(144)
<b>Total current assets</b>	<b>180,215</b>	<b>202,590</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	105,728	106,210
Accumulated depreciation	(61,101)	(61,996)
Buildings and structures, net	44,627	44,213
Machinery, equipment and vehicles	216,606	219,393
Accumulated depreciation	(187,294)	(190,023)
Machinery, equipment and vehicles, net	29,312	29,370
Land	23,666	23,647
Construction in progress	6,644	6,890
Other	14,154	14,664
Accumulated depreciation	(10,730)	(10,996)
Other, net	3,424	3,667
<b>Total property, plant and equipment</b>	<b>107,675</b>	<b>107,790</b>
Intangible assets		
Goodwill	6,970	6,844
Other	4,019	3,880
<b>Total intangible assets</b>	<b>10,990</b>	<b>10,724</b>
Investments and other assets		
Investment securities	70,764	73,515
Long-term loans receivable	1,457	1,507
Deferred tax assets	3,372	3,395
Other	4,852	4,374
Allowance for doubtful accounts	(134)	(134)
<b>Total investments and other assets</b>	<b>80,312</b>	<b>82,659</b>
<b>Total non-current assets</b>	<b>198,978</b>	<b>201,174</b>
<b>Total assets</b>	<b>379,193</b>	<b>403,764</b>

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 first quarter (June 30, 2015)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	31,041	35,642
Short-term loans payable	30,459	51,716
Commercial papers	18,000	25,000
Income taxes payable	8,623	1,929
Accrued consumption taxes	4,934	1,737
Provision		
Provision for bonuses	3,702	1,798
Provision for directors' bonuses	235	—
Total provisions	3,937	1,798
Other	21,821	21,868
Total current liabilities	118,817	139,692
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	28,208	26,233
Deferred tax liabilities	4,420	5,748
Provision		
Provision for directors' retirement benefits	691	744
Other provision	444	440
Total provisions	1,135	1,185
Net defined benefit liability	14,508	14,709
Other	6,453	6,355
Total non-current liabilities	64,725	64,231
Total liabilities	183,543	203,923
Net assets		
Shareholders' equity		
Capital stock	36,437	36,437
Capital surplus	26,362	26,263
Retained earnings	108,630	109,424
Treasury shares	(5,699)	(5,699)
Total shareholders' equity	165,731	166,425
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,801	18,613
Deferred gains or losses on hedges	(197)	719
Foreign currency translation adjustment	6,167	5,646
Remeasurements of defined benefit plans	(381)	(342)
Total accumulated other comprehensive income	21,390	24,637
Non-controlling interests	8,528	8,778
Total net assets	195,649	199,840
Total liabilities and net assets	379,193	403,764

Note: Amounts less than one million yen are omitted.

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

(Millions of Yen)

	Three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014)	Three months ended June 30, 2015 (From April 1, 2015 to June 30, 2015)
Net sales	109,671	107,806
Cost of sales	92,268	87,721
Gross profit	17,403	20,084
Selling, general and administrative expenses		
Freightage related expenses	842	961
Sales commission	132	144
Directors' compensations	319	352
Salaries and allowances	1,338	1,391
Welfare expenses	464	500
Provision for bonuses	524	498
Retirement benefit expenses	177	164
Provision for directors' retirement benefits	48	48
Rent expenses	196	205
Taxes and dues	244	332
Traveling and transportation expenses	352	399
Depreciation	273	291
Development and research expenses	1,187	1,255
Amortization of goodwill	120	174
Other	1,784	1,787
Total selling, general and administrative expenses	8,004	8,508
Operating income	9,398	11,576
Non-operating income		
Interest income	35	52
Dividend income	334	376
Share of profit of entities accounted for using equity method	486	—
Royalty income	199	244
Other	458	394
Total non-operating income	1,515	1,067
Non-operating expenses		
Interest expenses	297	209
Foreign exchange losses	24	3
Share of loss of entities accounted for using equity method	—	155
Environmental expenses	113	126
Other	294	148
Total non-operating expenses	729	643
Ordinary income	10,183	12,000

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	Three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014)	Three months ended June 30, 2015 (From April 1, 2015 to June 30, 2015)
<b>Extraordinary income</b>		
Gain on sales of non-current assets	10	32
Insurance income	4	—
Compensation income	3	—
Other	1	4
Total extraordinary income	20	37
<b>Extraordinary losses</b>		
Loss on valuation of investment securities	—	1,624
Loss on retirement of non-current assets	25	63
Loss on disaster	—	27
Other	20	0
Total extraordinary losses	45	1,715
Income before income taxes	10,158	10,321
Income taxes - current	2,154	2,358
Income taxes - deferred	884	1,471
Total income taxes	3,038	3,829
Profit	7,120	6,491
Profit attributable to non-controlling interests	89	288
Profit attributable to owners of parent	7,030	6,203

Note: Amounts less than one million yen are omitted.

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

(Millions of Yen)

	Three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014)	Three months ended June 30, 2015 (From April 1, 2015 to June 30, 2015)
Profit	7,120	6,491
Other comprehensive income		
Valuation difference on available-for-sale securities	873	2,550
Deferred gains or losses on hedges	(897)	899
Foreign currency translation adjustment	(558)	(80)
Remeasurements of defined benefit plans	37	40
Share of other comprehensive income of entities accounted for using equity method	(196)	(159)
Total other comprehensive income	(741)	3,251
Comprehensive income	6,379	9,742
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,340	9,450
Comprehensive income attributable to non-controlling interests	38	292

Note: Amounts less than one million yen are omitted.

## 5. Segment Information

Segment information by business type as of June 30, 2015 and 2014 is summarized as follows :

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

For the three months ended June 30, 2015(From April 1, 2015 to June 30, 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	15,744	52,127	12,634	20,551	6,519	107,578	227	107,806	—	107,806
(2) Intersegment	9,665	6,069	493	2	0	16,232	1,816	18,048	( 18,048)	—
Total	25,410	58,197	13,128	20,554	6,520	123,810	2,044	125,855	( 18,048)	107,806
Segment income (note 2)	1,828	5,228	2,391	1,595	336	11,379	3	11,383	192	11,576

For the three months ended June 30, 2014(From April 1, 2014 to June 30, 2014)

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	13,896	48,296	19,713	21,152	6,366	109,424	246	109,671	—	109,671
(2) Intersegment	9,944	7,442	501	4	0	17,894	1,601	19,495	( 19,495)	—
Total	23,841	55,739	20,215	21,156	6,366	127,318	1,847	129,166	( 19,495)	109,671
Segment income (note 2)	1,537	3,398	2,351	1,494	446	9,229	( 45)	9,183	215	9,398

For the three months ended June 30, 2015(From April 1, 2015 to June 30, 2015)

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	128,579	425,702	103,182	167,838	53,244	878,548	1,861	880,409	—	880,409
(2) Intersegment	78,934	49,570	4,033	19	3	132,561	14,835	147,397	( 147,397)	—
Total	207,514	475,273	107,216	167,858	53,248	1,011,110	16,696	1,027,807	( 147,397)	880,409
Segment income (note 2)	14,934	42,697	19,528	13,026	2,746	92,932	32	92,964	1,574	94,539

(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.

(Note 3) Converted at ¥122.45=US\$1, the prevailing exchange rate as of June 30, 2015 is used.