

Consolidated Financial Summary for the Nine Months
Ended December 31, 2014 (Unaudited)

(Japan Basis)



February 06 2015

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: February 13, 2015
 Scheduled date of commencement of dividend payments: —

1. Consolidated business results for the nine months ended December 31, 2014 (April 1, 2014 – December 31, 2014)

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

(1) Consolidated financial results

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Nine months ended December 31, 2014	345,670	5.2	27,461	18.8	30,640	19.2	20,440	20.6
Nine months ended December 31, 2013	328,433	10.0	23,124	41.0	25,699	43.1	16,953	74.1

(Notes) Comprehensive income: Nine months ended December 31, 2014 24,835 million yen 8.2 % Nine months ended December 31, 2013 22,946 million yen 107.9 %

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Nine months ended December 31, 2014	69.07	—
Nine months ended December 31, 2013	57.29	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
As of December 31, 2014	384,939	185,940	45.9
As of March 31, 2014	358,717	166,987	44.1

(Reference) Shareholders' equity: As of December 31, 2014 176,828 million yen As of March 31, 2014 158,253 million yen

2. Dividends

(Record date)	Annual Dividends				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2014	—	—	—	15.00	15.00
Fiscal year ending March 31, 2015	—	—	—	—	—
Fiscal year ending March 31, 2015 (forecast)	—	—	—	15.00	15.00

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

3. Forecast consolidated results for the fiscal year ending March 31, 2015 (April 1, 2014 – March 31, 2015)

(%: 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	
Full year	470,000	5.9	36,500	14.8	38,000	8.4	25,000	7.2	84.48	

(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, 2014)	As of end of third quarter (December 31, 2014)
Assets		
Current assets		
Cash and deposits	5,857	9,716
Notes and accounts receivable - trade	71,838	73,365
Merchandise and finished goods	21,570	22,420
Work in process	4,983	7,330
Raw materials and supplies	51,218	61,342
Deferred tax assets	4,713	4,310
Other	13,893	12,090
Allowance for doubtful accounts	(77)	(81)
Total current assets	173,998	190,495
Non-current assets		
Property, plant and equipment		
Buildings and structures	100,611	105,232
Accumulated depreciation	(56,956)	(59,950)
Buildings and structures, net	43,655	45,281
Machinery, equipment and vehicles	210,312	215,105
Accumulated depreciation	(180,230)	(185,575)
Machinery, equipment and vehicles, net	30,082	29,530
Land	22,680	24,000
Construction in progress	4,477	6,141
Other	13,048	13,998
Accumulated depreciation	(10,052)	(10,663)
Other, net	2,995	3,334
Total property, plant and equipment	103,890	108,288
Intangible assets		
Goodwill	6,997	6,837
Other	4,843	4,568
Total intangible assets	11,841	11,405
Investments and other assets		
Investment securities	61,612	67,332
Long-term loans receivable	879	949
Deferred tax assets	3,527	3,629
Other	3,108	2,971
Allowance for doubtful accounts	(139)	(133)
Total investments and other assets	68,987	74,749
Total non-current assets	184,719	194,443
Total assets	358,717	384,939

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	As of end of previous fiscal year (March 31, 2014)	As of end of third quarter (December 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	34,502	30,069
Short-term loans payable	41,521	50,765
Commercial papers	10,000	20,000
Current portion of bonds	10,000	—
Income taxes payable	7,630	2,766
Accrued consumption taxes	1,297	4,150
Provision		
Provision for bonuses	3,435	1,811
Provision for directors' bonuses	200	149
Total provisions	3,636	1,960
Other	23,216	26,593
Total current liabilities	131,803	136,307
Non-current liabilities		
Bonds payable	—	10,000
Long-term loans payable	38,142	27,805
Deferred tax liabilities	2,940	3,550
Provision		
Provision for directors' retirement benefits	595	703
Other provision	543	436
Total provisions	1,138	1,140
Net defined benefit liability	12,230	14,526
Other	5,475	5,668
Total non-current liabilities	59,927	62,691
Total liabilities	191,730	198,998
Net assets		
Shareholders' equity		
Capital stock	36,437	36,437
Capital surplus	26,362	26,362
Retained earnings	87,806	102,275
Treasury shares	(5,695)	(5,698)
Total shareholders' equity	144,910	159,376
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,947	14,021
Deferred gains or losses on hedges	315	(587)
Foreign currency translation adjustment	2,604	4,444
Remeasurements of defined benefit plans	(523)	(426)
Total accumulated other comprehensive income	13,343	17,452
Minority interests	8,733	9,111
Total net assets	166,987	185,940
Total liabilities and net assets	358,717	384,939

Note: Amounts less than one million yen are omitted.

(2) Consolidated Statements of Income (Unaudited)

(Millions of Yen)

	Nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)	Nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)
Net sales	328,433	345,670
Cost of sales	283,158	293,462
Gross profit	45,275	52,208
Selling, general and administrative expenses		
Freightage related expenses	2,483	2,761
Sales commission	425	424
Directors' compensations	996	983
Salaries and allowances	4,656	4,928
Welfare expenses	1,244	1,397
Provision for bonuses	374	408
Retirement benefit expenses	476	540
Provision for directors' retirement benefits	127	143
Rent expenses	542	608
Taxes and dues	559	662
Traveling and transportation expenses	1,104	1,139
Depreciation	508	864
Development and research expenses	3,615	4,160
Amortization of goodwill	391	374
Other	4,643	5,347
Total selling, general and administrative expenses	22,151	24,747
Operating income	23,124	27,461
Non-operating income		
Interest income	96	117
Dividend income	554	626
Foreign exchange gains	261	751
Share of profit of entities accounted for using equity method	1,508	1,468
Other	2,604	2,264
Total non-operating income	5,025	5,227
Non-operating expenses		
Interest expenses	1,125	879
Environmental expenses	703	413
Other	620	755
Total non-operating expenses	2,450	2,048
Ordinary income	25,699	30,640

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	Nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)	Nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)
Extraordinary income		
Gain on sales of investment securities	55	87
Gain on sales of non-current assets	40	23
Insurance income	18	14
Subsidy income	91	4
Compensation income	83	3
Other	13	1
Total extraordinary income	301	134
Extraordinary losses		
Loss on disaster	246	214
Loss on retirement of non-current assets	212	208
Impairment loss	48	44
Environmental expenses	—	14
Other	23	25
Total extraordinary losses	531	507
Income before income taxes and minority interests	25,469	30,267
Income taxes - current	7,850	8,797
Income taxes - deferred	475	841
Total income taxes	8,325	9,638
Income before minority interests	17,144	20,629
Minority interests in income	190	188
Net income	16,953	20,440

Note: Amounts less than one million yen are omitted.

(3) Consolidated Statement of Comprehensive Income (Unaudited)

(Millions of Yen)

	Nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)	Nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)
Income before minority interests	17,144	20,629
Other comprehensive income		
Valuation difference on available-for-sale securities	3,405	2,788
Deferred gains or losses on hedges	(557)	(909)
Foreign currency translation adjustment	1,393	1,920
Remeasurements of defined benefit plans	—	86
Share of other comprehensive income of entities accounted for using equity method	1,559	320
Total other comprehensive income	5,801	4,206
Comprehensive income	22,946	24,835
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	22,640	24,550
Comprehensive income attributable to minority interests	305	285

Note: Amounts less than one million yen are omitted.

5.Segment Information

Segment information by business type as of December 31, 2014 and 2013 is summarized as follows :

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

For the nine months ended December 31, 2014(From April 1, 2014 to December 31, 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	46,306	152,675	60,121	65,423	20,124	344,652	1,018	345,670	-	345,670
(2) Intersegment	29,584	21,952	1,577	12	0	53,127	5,706	58,833	(58,833)	-
Total	75,891	174,627	61,699	65,436	20,125	397,779	6,724	404,504	(58,833)	345,670
Segment income (note 2)	5,033	8,792	6,714	4,604	1,678	26,824	56	26,881	579	27,461

For the nine months ended December 31, 2013(From April 1, 2013 to December 31, 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	45,959	141,071	61,705	60,460	17,614	326,811	1,622	328,433	-	328,433
(2) Intersegment	27,095	21,691	1,339	9	0	50,135	5,018	55,154	(55,154)	-
Total	73,055	162,762	63,045	60,469	17,614	376,947	6,640	383,588	(55,154)	328,433
Segment income (note 2)	7,089	4,875	5,155	3,975	1,492	22,589	36	22,625	498	23,124

For the nine months ended December 31, 2014(From April 1, 2014 to December 31, 2014)

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	384,128	1,266,490	498,728	542,711	166,942	2,859,001	8,446	2,867,448	-	2,867,448
(2) Intersegment	245,414	182,100	13,084	100	5	440,705	47,337	488,042	(488,042)	-
Total	629,542	1,448,591	511,813	542,812	166,947	3,299,706	55,784	3,355,491	(488,042)	2,867,448
Segment income (note 2)	41,756	72,940	55,702	38,197	13,922	222,518	468	222,986	4,811	227,798

(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 ¥120.55=US\$1, the prevailing exchange rate as of December 31, 2014 is used.