

Consolidated Financial Summary
for the year ended March 31, 2019 (Unaudited)



May 13 2019

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: Akira Sekiguchi, President and Representative Director

Scheduled date of general meeting of stockholders: June 25, 2019
 Scheduled date of submission: June 25, 2019
 Scheduled date of commencement of dividend payments: June 04, 2019

1. Consolidated business results for the year ended March 31, 2019 (April 1, 2018 – March 31, 2019)

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

	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, 2019	452,928	(0.4)	18,671	(39.7)	24,309	(33.1)	14,986	(39.3)
Year ended March 31, 2018	454,754	10.8	30,948	(8.9)	36,355	(0.4)	24,693	(5.6)

(Notes) Comprehensive income: Year ended March 31, 2019 5,023 million yen (80.3) % Year ended March 31, 2018 25,555 million yen (15.2) %

	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, 2019	253.22	—	6.3	5.1	4.1
Year ended March 31, 2018	417.21	—	10.8	8.4	6.8

(Reference) Gain on investment securities: Year ended March 31, 2019 2,470 million yen Year ended March 31, 2018 3,723 million yen

(Note) We consolidated common shares at the ratio of five shares to one share on October 1, 2017. The figures for the net income per share are amounts on the assumption that we consolidate common shares on the beginning of previous fiscal year.

(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, 2019	494,683	246,158	48.0	4,008.03
As of March 31, 2018	456,530	247,762	52.3	4,035.06

(Reference) Shareholders' equity: As of March 31, 2019 237,214 million yen As of March 31, 2018 238,815 million yen

(Note) We consolidated common shares at the ratio of five shares to one share on October 1, 2017. The figures for the net assets per share are amounts on the assumption that we consolidate common shares on the beginning of previous fiscal year. We applies ASBJ Statement No. 28, "Partial Amendments to Accounting Standard for Tax Effect Accounting" from FY2018. This accounting standard is retroactively applied to the amount of the consolidated financial position as of March 31, 2018.

(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, 2019	37,555	(51,025)	15,944	19,002
Year ended March 31, 2018	11,125	(34,010)	24,087	16,472

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			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
Fiscal year ended March 31, 2018	—	—	—	90.00	90.00	5,409	21.6	2.3
Fiscal year ended March 31, 2019	—	—	—	90.00	90.00	5,409	35.5	2.2
Fiscal year ending March 31, 2020 (forecast)	—	—	—	90.00	90.00		26.6	

3. Forecast consolidated results for the fiscal year ending March 31, 2020 (April 1, 2019 – March 31, 2020)

(%: 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	217,000	(2.2)	8,500	(9.3)	10,800	(15.9)	7,500	(15.6)	126.72
Full year	455,000	0.5	24,500	31.2	30,000	23.4	20,000	33.5	337.92

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets (Unaudited)

(Millions of Yen)

	As of end of previous fiscal year (March 31, 2018)	As of end of current fiscal year (March 31, 2019)
Assets		
Current assets		
Cash and deposits	16,935	20,118
Notes and accounts receivable - trade	87,615	84,399
Merchandise and finished goods	27,550	29,461
Work in process	5,663	5,769
Raw materials and supplies	73,127	84,696
Other	17,634	13,708
Allowance for doubtful accounts	(191)	(147)
Total current assets	228,334	238,007
Non-current assets		
Property, plant and equipment		
Buildings and structures	119,288	126,589
Accumulated depreciation	(70,028)	(71,514)
Buildings and structures, net	49,260	55,074
Machinery, equipment and vehicles	242,390	250,856
Accumulated depreciation	(204,016)	(208,408)
Machinery, equipment and vehicles, net	38,373	42,448
Land	24,638	24,977
Construction in progress	8,491	8,183
Other	16,602	17,459
Accumulated depreciation	(13,041)	(13,778)
Other, net	3,560	3,681
Total property, plant and equipment	124,324	134,365
Intangible assets		
Goodwill	5,250	4,620
Other	3,759	3,094
Total intangible assets	9,010	7,714
Investments and other assets		
Investment securities	75,067	68,158
Long-term loans receivable	9,908	33,098
Deferred tax assets	6,430	7,689
Other	3,554	5,741
Allowance for doubtful accounts	(100)	(91)
Total investments and other assets	94,860	114,595
Total non-current assets	228,196	256,675
Total assets	456,530	494,683

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	As of end of previous fiscal year (March 31, 2018)	As of end of current fiscal year (March 31, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	37,338	43,449
Short-term loans payable	44,402	36,885
Commercial papers	25,000	29,000
Current portion of bonds	—	10,000
Income taxes payable	2,680	2,135
Accrued consumption taxes	1,446	996
Provision		
Provision for bonuses	4,050	4,110
Provision for bonuses for directors (and other offi	232	249
Total provisions	4,282	4,359
Other	27,649	36,629
Total current liabilities	142,800	163,456
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	30,424	49,355
Deferred tax liabilities	2,666	2,064
Provision		
Provision for retirement benefits for directors (anc	719	621
Other provision	446	414
Total provisions	1,166	1,035
Retirement benefit liability	17,411	17,967
Other	4,298	4,644
Total non-current liabilities	65,967	85,067
Total liabilities	208,767	248,524
Net assets		
Shareholders' equity		
Capital stock	36,437	36,437
Capital surplus	26,222	26,044
Retained earnings	165,029	173,624
Treasury shares	(5,708)	(5,710)
Total shareholders' equity	221,980	230,395
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,164	9,992
Deferred gains or losses on hedges	1,199	(2,787)
Foreign currency translation adjustment	2,124	(27)
Remeasurements of defined benefit plans	(653)	(360)
Total accumulated other comprehensive income	16,835	6,818
Non-controlling interests	8,946	8,944
Total net assets	247,762	246,158
Total liabilities and net assets	456,530	494,683

Note: Amounts less than one million yen are omitted.

(2) Consolidated Statements of Income (Unaudited)

(Millions of Yen)

	Previous fiscal year (From April 1, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
Net sales	454,754	452,928
Cost of sales	387,831	396,495
Gross profit	66,923	56,432
Selling, general and administrative expenses		
Freightage related expenses	4,266	4,519
Sales commission	546	530
Remuneration for directors (and other officers)	1,434	1,478
Salaries and allowances	6,711	6,919
Welfare expenses	2,093	2,137
Provision for bonuses	954	919
Retirement benefit expenses	669	684
Provision for retirement benefits for directors (and other officers)	187	190
Rent expenses	883	914
Taxes and dues	1,447	1,419
Traveling and transportation expenses	1,620	1,623
Depreciation	1,404	1,503
Development and research expenses	5,380	5,888
Amortization of goodwill	528	509
Other	7,846	8,520
Total selling, general and administrative expenses	35,975	37,761
Operating profit	30,948	18,671
Non-operating income		
Interest income	447	1,370
Dividend income	701	834
Share of profit of entities accounted for using equity method	3,723	2,470
Commission income	—	583
Royalty income	1,074	1,154
Other	1,753	2,009
Total non-operating income	7,700	8,422
Non-operating expenses		
Interest expenses	578	1,008
Foreign exchange losses	159	27
Commission expenses	—	238
Environmental expenses	466	522
Other	1,087	988
Total non-operating expenses	2,293	2,784
Ordinary profit	36,355	24,309

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	Previous fiscal year (From April 1, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
Extraordinary income		
Subsidy income	25	247
Reversal of foreign currency translation adjustment	—	227
Gain on sales of non-current assets	106	184
Insurance income	148	170
Gain on sales of investment securities	96	158
Other	4	79
Total extraordinary income	381	1,067
Extraordinary losses		
Loss on retirement of non-current assets	792	1,032
Impairment loss	270	212
Settlement package	—	206
Loss on disaster	165	184
Compensation of loss	409	—
Other	125	243
Total extraordinary losses	1,762	1,877
Profit before income taxes	34,974	23,499
Income taxes - current	9,329	7,148
Income taxes - deferred	381	1,240
Total income taxes	9,710	8,389
Profit	25,264	15,110
Profit attributable to non-controlling interests	570	123
Profit attributable to owners of parent	24,693	14,986

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, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
Profit	25,264	15,110
Other comprehensive income		
Valuation difference on available-for-sale securities	(449)	(3,872)
Deferred gains or losses on hedges	1,122	(4,016)
Foreign currency translation adjustment	(604)	(1,672)
Remeasurements of defined benefit plans, net of tax	40	307
Share of other comprehensive income of entities accounted for using equity method	182	(833)
Total other comprehensive income	291	(10,086)
Comprehensive income	25,555	5,023
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	25,119	4,969
Comprehensive income attributable to non-controlling interests	435	54

Note: Amounts less than one million yen are omitted.

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

Previous fiscal year (From April 1, 2017 to March 31, 2018)

(Millions of Yen)

	shareholders' equity					Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares		
Balance at beginning of current period	36,437	26,350	145,809	(5,703)		202,894
Changes of items during period						
Dividends of surplus	—	—	(5,409)	—		(5,409)
Profit attributable to owners of parent	—	—	24,693	—		24,693
Purchase of treasury shares	—	—	—	(5)		(5)
Disposal of treasury shares	—	0	—	0		0
Change of scope of consolidation	—	—	(65)	—		(65)
Change in the parent's ownership interest due to transactions with noncontrolling interests	—	(128)	—	—		(128)
Net changes of items other than shareholders' equity	—	—	—	—		—
Total changes of items during period	—	(128)	19,219	(5)		19,085
Balance at end of current period	36,437	26,222	165,029	(5,708)		221,980

	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	14,466	139	2,516	(713)	16,408	8,518	227,821
Changes of items during period							
Dividends of surplus	—	—	—	—	—	—	(5,409)
Profit attributable to owners of parent	—	—	—	—	—	—	24,693
Purchase of treasury shares	—	—	—	—	—	—	(5)
Disposal of treasury shares	—	—	—	—	—	—	0
Change of scope of consolidation	—	—	—	—	—	—	(65)
Change in the parent's ownership interest due to transactions with noncontrolling interests	—	—	—	—	—	—	(128)
Net changes of items other than shareholders' equity	(302)	1,060	(392)	60	426	428	854
Total changes of items during period	(302)	1,060	(392)	60	426	428	19,940
Balance at end of current period	14,164	1,199	2,124	(653)	16,835	8,946	247,762

Note: Amounts less than one million yen are omitted.

Current fiscal year (From April 1, 2018 to March 31, 2019)

(Millions of Yen)

	shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of current period	36,437	26,222	165,029	(5,708)	221,980
Changes of items during period					
Dividends of surplus	—	—	(5,409)	—	(5,409)
Profit attributable to owners of parent	—	—	14,986	—	14,986
Purchase of treasury shares	—	—	—	(1)	(1)
Change of scope of consolidation	—	—	(982)	—	(982)
Change in the parent's ownership interest due to transactions with noncontrolling interests	—	(178)	—	—	(178)
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during period	—	(178)	8,594	(1)	8,415
Balance at end of current period	36,437	26,044	173,624	(5,710)	230,395

	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	14,164	1,199	2,124	(653)	16,835	8,946	247,762
Changes of items during period							
Dividends of surplus	—	—	—	—	—	—	(5,409)
Profit attributable to owners of parent	—	—	—	—	—	—	14,986
Purchase of treasury shares	—	—	—	—	—	—	(1)
Change of scope of consolidation	—	—	—	—	—	—	(982)
Change in the parent's ownership interest due to transactions with noncontrolling interests	—	—	—	—	—	—	(178)
Net changes of items other than shareholders' equity	(4,171)	(3,986)	(2,151)	293	(10,016)	(2)	(10,019)
Total changes of items during period	(4,171)	(3,986)	(2,151)	293	(10,016)	(2)	(1,603)
Balance at end of current period	9,992	(2,787)	(27)	(360)	6,818	8,944	246,158

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, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
Cash flows from operating activities		
Profit before income taxes	34,974	23,499
Depreciation	17,212	18,628
Impairment loss	270	212
Amortization of goodwill	528	509
Increase (decrease) in allowance for doubtful accounts	86	(42)
Increase (decrease) in other provision	188	(63)
Increase (decrease) in retirement benefit liability	883	722
Interest and dividend income	(1,148)	(2,204)
Interest expenses	578	1,008
Foreign exchange losses (gains)	235	(688)
Share of loss (profit) of entities accounted for using equity method	(3,723)	(2,470)
Loss (gain) on sales of non-current assets	(106)	(184)
Loss on retirement of non-current assets	791	1,032
Loss (gain) on sales of investment securities	(96)	(158)
Decrease (increase) in notes and accounts receivable - trade	(7,308)	2,435
Decrease (increase) in inventories	(23,936)	(13,471)
Increase (decrease) in notes and accounts payable - trade	2,646	5,883
Increase (decrease) in accrued consumption taxes	(368)	(514)
Other, net	(1,159)	7,018
Subtotal	20,545	41,152
Interest and dividend income received	3,575	5,171
Interest expenses paid	(532)	(864)
Income taxes (paid) refund	(12,462)	(7,904)
Net cash provided by (used in) operating activities	11,125	37,555

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	Previous fiscal year (From April 1, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
Cash flows from investing activities		
Purchase of property, plant and equipment	(23,680)	(23,395)
Proceeds from sales of property, plant and equipment	516	338
Purchase of intangible assets	(356)	(288)
Purchase of investment securities	(7)	(1,835)
Proceeds from sales of investment securities	35	(7)
Purchase of shares of subsidiaries and associates	(2,881)	(2,798)
Proceeds from sales of shares of subsidiaries and associates	—	196
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(171)	—
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	14	—
Proceeds from subsidy	448	882
Payments of loans receivable	(8,444)	(23,818)
Collection of loans receivable	825	590
Other, net	(309)	(889)
Net cash provided by (used in) investing activities	(34,010)	(51,025)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	8,200	(8,858)
Net increase (decrease) in commercial papers	13,000	4,000
Proceeds from long-term loans payable	18,351	23,601
Repayments of long-term loans payable	(9,179)	(6,811)
Proceeds from issuance of bonds	—	10,000
Repayments of lease obligations	(723)	(343)
Purchase of treasury shares	(5)	(1)
Cash dividends paid	(5,409)	(5,408)
Dividends paid to non-controlling interests	(146)	(232)
Proceeds from sales of treasury shares	0	—
Other, net	—	0
Net cash provided by (used in) financing activities	24,087	15,944
Effect of exchange rate change on cash and cash equivalents	(115)	(58)
Net increase (decrease) in cash and cash equivalents	1,088	2,416
Cash and cash equivalents at beginning of period	15,126	16,472
Increase in cash and cash equivalents from newly consolidated subsidiary	257	112
Cash and cash equivalents at end of period	16,472	19,002

Note: Amounts less than one million yen are omitted.

5. Segment Information

Segment information by business type as of December 31, 2018 and 2019 is summarized as follows :
(Amounts less than one million yen are omitted.)

For the year ended March 31, 2018(From April 1, 2017 to March 31, 2018)

Millions of Yen

	Reporting Segments						Others	Total	Eliminations & Company- wide	Consolidated
	Environmental Management & recycling	Nonferrous Metals	Electronics Materials	Metal Processing	Heat Treatment	Sub Total				
Net sales										
(1) Outside customers	60,256	197,370	75,441	90,486	28,208	451,764	2,990	454,754	-	454,754
(2) Intersegment	39,120	20,535	2,352	138	0	62,147	9,244	71,391	(71,391)	-
Total	99,377	217,905	77,794	90,624	28,208	513,911	12,234	526,145	(71,391)	454,754
Segment income (note 2)	5,724	13,014	6,146	7,567	2,505	34,957	767	35,725	630	36,355
Segment Assets	91,537	179,864	58,584	73,718	42,917	446,622	8,236	454,859	1,671	456,530
Other items										
Depreciation	4,325	4,625	2,717	2,423	2,064	16,157	221	16,378	833	17,212
Amortization of goodwill	348	26	-	-	152	528	-	528	-	528
Investments in affiliates accounted for by equity method	3,221	14,238	249	375	-	18,085	-	18,085	15,656	33,742
Increase in property, plant and equipment and intangible assets	8,229	3,431	4,687	2,862	4,547	23,757	266	24,024	583	24,608

For the year ended March 31, 2019(From April 1, 2018 to March 31, 2019)

Millions of Yen

	Reporting Segments						Others	Total	Eliminations & Company- wide	Consolidated
	Environmental Management & recycling	Nonferrous Metals	Electronics Materials	Metal Processing	Heat Treatment	Sub Total				
Net sales										
(1) Outside customers	65,014	201,838	62,689	91,981	29,702	451,227	1,700	452,928	-	452,928
(2) Intersegment	39,421	19,830	2,294	88	36	61,671	9,928	71,599	(71,599)	-
Total	104,436	221,668	64,984	92,069	29,739	512,899	11,628	524,528	(71,599)	452,928
Segment income (note 2)	6,271	4,624	3,142	6,448	2,572	23,059	846	23,905	403	24,309
Segment Assets	99,501	204,200	58,748	78,747	47,088	488,286	9,387	497,674	(2,991)	494,683
Other items										
Depreciation	5,356	4,115	2,898	2,751	2,333	17,455	232	17,687	941	18,628
Amortization of goodwill	348	19	-	-	141	509	-	509	-	509
Investments in affiliates accounted for by equity method	3,352	13,210	326	383	-	17,272	-	17,272	15,321	32,594
Increase in property, plant and equipment and intangible assets	6,647	3,407	3,825	4,295	4,870	23,046	186	23,232	854	24,087

(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) Electronics 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 ordinary income.