

Fiscal 2023 First Quarter Supplementary Information

August 9, 2023

DOWA HOLDINGS CO.,LTD.

Operating Results

■ Consolidated Income Statements

Billion yen (Amounts less than 100 million yen are omitted.)

| | FY2022 | | FY2023 | | Changes | | | |
|---|------------|-------------------|------------|---------------------|---------|-------|-----------|-------|
| | 1Q Results | Full Year Results | 1Q Results | Full Year Forecasts | 1Q | | Full Year | |
| Net Sales | 209.9 | 780.0 | 190.9 | 680.0 | (18.9) | (9%) | (100.0) | (13%) |
| Operating Income | 19.3 | 44.6 | 7.3 | 23.0 | (11.9) | (62%) | (21.6) | (48%) |
| Ordinary Income | 23.2 | 55.5 | 12.6 | 30.0 | (10.6) | (46%) | (25.5) | (46%) |
| Profit attributable to owners of parent | 13.0 | 25.0 | 7.8 | 20.0 | (5.2) | (40%) | (5.0) | (20%) |

* Full Year forecasts for FY2023 remain unchanged from those announced on May 12, 2023.

■ Exchange Rate and Metal Prices

| | FY2022 | | FY2023 | | | |
|-----------------------|-------------|--------------------|----------------|-------------|-------------------|--------------------|
| | 1Q averages | Full year averages | 1Q assumptions | 1Q averages | 2Q-4Q assumptions | Full year averages |
| Exchange Rate: (¥/\$) | 129.6 | 135.5 | 132.0 | 137.4 | 132.0 | 133.3 |
| Copper: (\$/t) | 9,526 | 8,551 | 8,500 | 8,478 | 8,500 | 8,495 |
| Zinc: (\$/t) | 3,925 | 3,332 | 2,800 | 2,540 | 2,800 | 2,735 |
| Indium: (\$/kg) | 240 | 221 | 200 | 197 | 200 | 199 |

Business Environment (FY2023.1Q)

Waste treatment- and recycling-related business

- Orders for waste treatment in Japan were firm.
- Collection volume of raw materials for recycling was increased.
- The treatment volume for the recycling of consumer electronics decrease.

Automobile-related business

- Although automobile production began to recover, orders for certain automobile-related products and services decreased due to the trend of parts inventory reduction in the supply chain.

New forms of energy-related business

- Sales of Silver powder were sluggish due to the change in the competitive environment caused by the progress of generalization of solar panels.

Electronic components-related business

- Sales of Copper rolled products for information/communication-related products decreased due to the slowdown of China economy.

Exchange rates and Metal prices

- Compared to the same period of the previous year, the average exchange rate of the yen weakened against the U.S. dollar.
- The average price of copper, zinc and PGMs decreased significantly.

Energy and Material cost

- The cost of electricity, fuel and the other materials has increased significantly on account of rising in the energy prices and various materials prices.

Trends in Major Products

Indexes (100 for FY2022 1Q)

| | | FY2022 | | | | FY2023 |
|--------------------------------------|--|--------|-----|-----|-----|--------|
| | | 1Q | 2Q | 3Q | 4Q | 1Q |
| Environmental Management & Recycling | Waste treatment volume in Japan | 100 | 88 | 96 | 89 | 102 |
| | Recycling materials collection volume (for Kosaka smelting & refining) | 100 | 106 | 111 | 102 | 112 |
| | Net sales of waste treatment in the Southeast Asia Business | 100 | 103 | 116 | 120 | 104 |
| Nonferrous Metals | Copper production volume (Total of 2 smelters, Kosaka and Onahama) | 100 | 89 | 88 | 108 | 90 |
| | Zinc production volume | 100 | 71 | 106 | 101 | 96 |
| Electronic Materials | LEDs sales volume | 100 | 77 | 68 | 45 | 55 |
| | Silver powder sales volume | 100 | 70 | 70 | 62 | 73 |
| Metal Processing | Copper alloy strips sales volume | 100 | 96 | 98 | 91 | 84 |
| Heat Treatment | Net sales in the Heat Treatment Processing Business | 100 | 104 | 113 | 110 | 111 |
| | Net sales in the Industrial Furnaces Business | 100 | 140 | 164 | 247 | 100 |

Year-on-Year Comparison by Segment

Billion yen (Amounts less than 100 million yen are omitted.)

| | FY2022 1Q Results | | | FY2023 1Q Results | | | Changes | | |
|--------------------------------------|-------------------|------------------|-----------------|-------------------|------------------|-----------------|-----------|------------------|-----------------|
| | Net Sales | Operating Income | Ordinary Income | Net Sales | Operating Income | Ordinary Income | Net Sales | Operating Income | Ordinary Income |
| Environmental Management & Recycling | 36.5 | 3.1 | 3.4 | 37.1 | 3.1 | 3.5 | 0.6 | (0.0) | 0.1 |
| Nonferrous Metals | 115.0 | 11.2 | 14.3 | 103.3 | 2.9 | 6.4 | (11.7) | (8.2) | (7.8) |
| Electronic Materials | 45.0 | 1.8 | 2.5 | 38.4 | (0.0) | 0.7 | (6.6) | (1.8) | (1.7) |
| Metal Processing | 29.5 | 2.5 | 2.7 | 26.7 | 0.8 | 0.9 | (2.8) | (1.7) | (1.7) |
| Heat Treatment | 6.2 | 0.1 | 0.3 | 6.7 | 0.1 | 0.4 | 0.4 | 0.0 | 0.1 |
| Other/ Eliminations | (22.4) | 0.3 | (0.0) | (21.4) | 0.2 | 0.4 | 1.0 | (0.1) | 0.4 |
| Total | 209.9 | 19.3 | 23.2 | 190.9 | 7.3 | 12.6 | (18.9) | (11.9) | (10.6) |

Factor Analysis of Ordinary Income

Billion yen (Amounts less than 100 million yen are omitted.)

| FY2023.1Q – FY2022.1Q | Environmental Management & Recycling | Nonferrous Metals | Electronic Materials | Metal Processing | Heat Treatment | Other/ Eliminations | Total |
|--|--|----------------------|-------------------------|------------------|-------------------|------------------------|--------|
| Effect of various initiatives, increase/ decrease in sales, etc. | 0.6 | (1.0) | (1.8) | (0.9) | 0.2 | (0.1) | (3.0) |
| Of the above, free metal income difference (difference in volume) | — | 1.6 | — | — | — | — | 1.6 |
| Free metal income difference (difference in metal prices) | — | (5.2) | — | — | — | — | (5.2) |
| Difference in foreign currency-based income due to exchange rate | — | 1.0 | 0.1 | — | — | — | 1.2 |
| Purchasing conditions of raw material (difference in base conditions) | — | 0.6 | — | — | — | — | 0.6 |
| Difference between the market value and book value at sale, and between market value and valuation prices at end of period | — | (0.1) | — | (0.7) | — | — | (0.9) |
| Electricity charges | — | (2.8) | — | — | — | — | (2.8) |
| Manufacturing cost (depreciation, etc.), selling, general and administrative expenses, development and research expenses | (0.7) | (0.7) | (0.2) | 0.0 | (0.1) | 0.0 | (1.7) |
| Increase/decrease in operating income | (0.0) | (8.2) | (1.8) | (1.7) | 0.0 | (0.1) | (11.9) |
| Effect of non-operating income/expenses | | | | | | | |
| - Equity method income or loss | 0.3 | 0.8 | (0.0) | 0.0 | — | 0.7 | 1.8 |
| - Others | (0.1) | (0.4) | 0.1 | (0.1) | 0.0 | (0.0) | (0.5) |
| Increase/decrease in ordinary income | 0.1 | (7.8) | (1.7) | (1.7) | 0.1 | 0.4 | (10.6) |

FY2023 Full Year Forecasts

Billion yen (Amounts less than 100 million yen are omitted.)

| | FY2022 Results | | | FY2023 Forecasts announced on May. 12 | | | Changes | | |
|--|----------------|---------------------|-----------------|--|---------------------|-----------------|-----------|---------------------|-----------------|
| | Net Sales | Operating Income | Ordinary Income | Net Sales | Operating Income | Ordinary Income | Net Sales | Operating Income | Ordinary Income |
| Environmental Management & Recycling | 148.0 | 11.1 | 11.9 | 143.4 | 9.9 | 10.0 | (4.6) | (1.2) | (1.9) |
| Nonferrous Metals | 433.6 | 22.7 | 33.1 | 342.5 | 4.5 | 10.0 | (91.1) | (18.2) | (23.1) |
| Electronic Materials | 138.2 | 2.9 | 4.5 | 120.9 | 0.8 | 2.3 | (17.3) | (2.1) | (2.2) |
| Metal Processing | 116.1 | 5.3 | 5.5 | 114.8 | 4.4 | 4.5 | (1.3) | (0.9) | (1.0) |
| Heat Treatment | 30.1 | 1.4 | 1.8 | 33.2 | 2.8 | 3.0 | 3.0 | 1.3 | 1.1 |
| Other/ Eliminations | (86.1) | 0.9 | (1.5) | (74.8) | 0.6 | 0.2 | 11.3 | (0.3) | 1.7 |
| Total | 780.0 | 44.6 | 55.5 | 680.0 | 23.0 | 30.0 | (100.0) | (21.6) | (25.5) |

* Full Year forecasts for FY2023 remain unchanged from those announced on May 12, 2023.

FY2023 Full Year Forecasts by Segment (H1, H2)

Billion yen (Amounts less than 100 million yen are omitted.)

| | FY2023 H1 Forecasts | | | FY2023 H2 Forecasts | | | FY2023 Forecasts | | |
|--------------------------------------|---------------------|------------------|-----------------|---------------------|------------------|-----------------|------------------|------------------|-----------------|
| | Net Sales | Operating Income | Ordinary Income | Net Sales | Operating Income | Ordinary Income | Net Sales | Operating Income | Ordinary Income |
| Environmental Management & Recycling | 71.2 | 4.8 | 4.7 | 72.2 | 5.1 | 5.3 | 143.4 | 9.9 | 10.0 |
| Nonferrous Metals | 178.2 | 2.7 | 6.1 | 164.3 | 1.8 | 3.9 | 342.5 | 4.5 | 10.0 |
| Electronic Materials | 53.3 | 0.1 | 0.7 | 67.6 | 0.7 | 1.6 | 120.9 | 0.8 | 2.3 |
| Metal Processing | 55.2 | 1.9 | 1.9 | 59.6 | 2.5 | 2.6 | 114.8 | 4.4 | 4.5 |
| Heat Treatment | 15.0 | 0.8 | 0.9 | 18.2 | 2.0 | 2.1 | 33.2 | 2.8 | 3.0 |
| Other/ Eliminations | (37.9) | 0.3 | (0.6) | (36.9) | 0.3 | 0.8 | (74.8) | 0.6 | 0.2 |
| Total | 335.0 | 10.6 | 13.7 | 345.0 | 12.4 | 16.3 | 680.0 | 23.0 | 30.0 |

* Full Year forecasts for FY2023 remain unchanged from those announced on May 12, 2023.

Assumptions and Sensitivities

| Sensitivity (Operating Income / year) | | | Million yen |
|---------------------------------------|--------------|-------------|-------------|
| | Assumptions | Fluctuation | Sensitivity |
| Exchange rate | 132.0 ¥ / \$ | ±1 ¥ / \$ | 610 |
| Copper | 8,500 \$ / t | ±100 \$ / t | 50 |
| Zinc | 2,800 \$ / t | ±100 \$ / t | 470 |
| Indium | 200 \$ / kg | ±10 \$ / kg | 60 |

* Exchange rate sensitivity; Nonferrous Metals 500 million yen and Electronic Materials 110 million yen.

Exchange Rate and Metal Prices

| | FY2022 | | FY2023 | | | | Ref. Jul. 2023 averages |
|-----------------------|----------------|-----------------------|-------------------|----------------|----------------------|-----------------------|-------------------------------|
| | 1Q averages | Full year averages | 1Q assumptions | 1Q averages | 2Q-4Q assumptions | Full year averages | |
| Exchange rate: (¥/\$) | 129.6 | 135.5 | 132.0 | 137.4 | 132.0 | 133.3 | 141.3 |
| Copper: (\$/t) | 9,526 | 8,551 | 8,500 | 8,478 | 8,500 | 8,495 | 8,445 |
| Zinc: (\$/t) | 3,925 | 3,332 | 2,800 | 2,540 | 2,800 | 2,735 | 2,397 |
| Indium: (\$/kg) | 240 | 221 | 200 | 197 | 200 | 199 | 229 |

Sensitivity is based on assumptions that the Company assumes to be reasonable at the time of publication.
Actual effects may differ materially due to a variety of factors.

Ref. Historical Data

■ Consolidated financial data

Billion yen (Amounts less than 100 million yen are omitted.)

| | | FY2021 | | | | | FY2022.9 | | | | | FY2023 | | | | |
|-------|---|--------|-------|-------|-------|-----------|----------|-------|-------|-------|-----------|--------|----|----|----|-----------|
| | | 1Q | 2Q | 3Q | 4Q | Full year | 1Q | 2Q | 3Q | 4Q | Full year | 1Q | 2Q | 3Q | 4Q | Full year |
| Total | Net Sales | 207.9 | 215.3 | 188.6 | 219.8 | 831.7 | 209.9 | 191.8 | 191.1 | 187.1 | 780.0 | 190.9 | - | - | - | - |
| | Operating Income | 19.6 | 18.2 | 14.3 | 11.5 | 63.8 | 19.3 | 10.7 | 6.6 | 7.8 | 44.6 | 7.3 | - | - | - | - |
| | Ordinary Income | 28.2 | 19.2 | 17.0 | 11.5 | 76.0 | 23.2 | 13.6 | 8.4 | 10.1 | 55.5 | 12.6 | - | - | - | - |
| | Profit attributable to owners of parent | 19.9 | 12.6 | 11.5 | 6.9 | 51.0 | 13.0 | 9.6 | 4.5 | (2.2) | 25.0 | 7.8 | - | - | - | - |

| | | | | | | | | | | | | | | | | |
|--------------------------------------|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---|---|---|---|
| Environmental Management & Recycling | Net Sales | 33.8 | 32.2 | 33.1 | 35.8 | 135.0 | 36.5 | 35.0 | 38.7 | 37.7 | 148.0 | 37.1 | - | - | - | - |
| | Operating Income | 3.1 | 3.5 | 3.7 | 2.2 | 12.6 | 3.1 | 2.0 | 3.6 | 2.2 | 11.1 | 3.1 | - | - | - | - |
| | Ordinary Income | 3.0 | 3.5 | 4.2 | 2.8 | 13.6 | 3.4 | 2.3 | 3.5 | 2.5 | 11.9 | 3.5 | - | - | - | - |
| Nonferrous Metals | Net Sales | 118.2 | 113.6 | 97.6 | 126.1 | 455.6 | 115.0 | 109.5 | 105.0 | 104.0 | 433.6 | 103.3 | - | - | - | - |
| | Operating Income | 12.8 | 10.3 | 6.8 | 6.1 | 36.1 | 11.2 | 6.5 | 0.5 | 4.4 | 22.7 | 2.9 | - | - | - | - |
| | Ordinary Income | 14.7 | 12.4 | 8.8 | 6.8 | 42.7 | 14.3 | 9.2 | 2.5 | 6.9 | 33.1 | 6.4 | - | - | - | - |
| Electronic Materials | Net Sales | 43.9 | 52.2 | 40.1 | 38.9 | 175.3 | 45.0 | 30.5 | 32.6 | 29.9 | 138.2 | 38.4 | - | - | - | - |
| | Operating Income | 1.0 | 2.0 | 1.1 | 0.9 | 5.2 | 1.8 | 0.9 | 0.7 | (0.5) | 2.9 | (0.0) | - | - | - | - |
| | Ordinary Income | 1.3 | 2.3 | 1.5 | 1.3 | 6.5 | 2.5 | 1.3 | 0.7 | (0.0) | 4.5 | 0.7 | - | - | - | - |
| Metal Processing | Net Sales | 26.4 | 27.2 | 28.7 | 29.4 | 111.9 | 29.5 | 29.0 | 29.1 | 28.3 | 116.1 | 26.7 | - | - | - | - |
| | Operating Income | 2.1 | 1.5 | 1.6 | 0.9 | 6.3 | 2.5 | 0.7 | 1.1 | 0.9 | 5.3 | 0.8 | - | - | - | - |
| | Ordinary Income | 2.2 | 1.6 | 1.7 | 1.1 | 6.8 | 2.7 | 0.7 | 1.0 | 0.9 | 5.5 | 0.9 | - | - | - | - |
| Heat Treatment | Net Sales | 5.8 | 6.5 | 7.0 | 9.4 | 28.9 | 6.2 | 7.0 | 7.7 | 9.0 | 30.1 | 6.7 | - | - | - | - |
| | Operating Income | 0.3 | 0.5 | 0.6 | 0.9 | 2.6 | 0.1 | 0.3 | 0.4 | 0.5 | 1.4 | 0.1 | - | - | - | - |
| | Ordinary Income | 0.4 | 0.6 | 0.7 | 1.1 | 3.0 | 0.3 | 0.4 | 0.4 | 0.6 | 1.8 | 0.4 | - | - | - | - |
| Other/ Eliminations | Net Sales | (20.3) | (16.7) | (18.1) | (20.0) | (75.1) | (22.4) | (19.3) | (22.3) | (21.9) | (86.1) | (21.4) | - | - | - | - |
| | Operating Income | 0.1 | 0.2 | 0.1 | 0.1 | 0.7 | 0.3 | 0.0 | 0.1 | 0.2 | 0.9 | 0.2 | - | - | - | - |
| | Ordinary Income | 6.4 | (1.3) | (0.0) | (1.7) | 3.2 | (0.0) | (0.5) | 0.0 | (0.9) | (1.5) | 0.4 | - | - | - | - |

■ Exchange Rate and Metal Prices

| | FY2021 (averages) | | | | | FY2022.9 (averages) | | | | | FY2023 (averages) | | | | |
|-----------------------|-------------------|-------|-------|-------|-----------|---------------------|-------|-------|-------|-----------|-------------------|----|----|----|-----------|
| | 1Q | 2Q | 3Q | 4Q | Full year | 1Q | 2Q | 3Q | 4Q | Full year | 1Q | 2Q | 3Q | 4Q | Full year |
| Exchange Rate: (¥/\$) | 109.5 | 110.1 | 113.7 | 116.2 | 112.4 | 129.6 | 138.4 | 141.6 | 132.3 | 135.5 | 137.4 | - | - | - | - |
| Copper: (\$/t) | 9,711 | 9,372 | 9,698 | 9,985 | 9,691 | 9,526 | 7,742 | 8,006 | 8,930 | 8,551 | 8,478 | - | - | - | - |
| Zinc: (\$/t) | 2,916 | 2,991 | 3,365 | 3,743 | 3,254 | 3,925 | 3,269 | 3,004 | 3,130 | 3,332 | 2,540 | - | - | - | - |
| Indium: (\$/kg) | 198 | 209 | 260 | 247 | 229 | 240 | 230 | 204 | 209 | 221 | 197 | - | - | - | - |

DOWA

* Forward-looking statements made in this document, such as business forecasts, are based on the information available at this time and on certain premises that the Company assumes to be reasonable. Actual performance may differ materially from such forecasts due to a variety of factors.