A Recycling-Oriented World

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Fiscal 2026 First Quarter Supplementary Information

August 7, 2026

DOWA HOLDINGS CO.,LTD.

Executive Summary

FY2026 1Q results showed a significant increase in earnings, driven mainly by the Nonferrous Metals segment against a backdrop of favorable metal prices and foreign exchange rates. However, as demand trends generally progressed in line with initial assumptions, the full-year forecast was left unchanged.

FY2026 1Q Results

- Net sales increased 58% year on year, operating profit rose 281%, and ordinary profit increased 278%, driven by favorable metal prices and foreign exchange rates.
- Demand trends were generally in line with initial assumptions, although new energy-related businesses progressed above expectations.
- The Nonferrous Metals segment benefited from inventory valuation gains at the end of the quarter, mainly due to a decline in silver prices, resulting in gains on hedging transactions (see Page 9).

Full-Year Forecast

- From the second quarter onward, the business outlook has become increasingly uncertain, as prices of precious metals such as gold, silver, and platinum have been trending downward, while weaker automotive-related demand and rising material costs have continued.
- Based on these factors, the full-year forecast for FY2026 remains unchanged from the initial forecast.

Highlights

- Environmental Management & Recycling: The decline in low-contaminated PCB waste was offset by increased treatment volumes of hazardous waste. Demand for melting and recycling business remained strong.
- Nonferrous Metals: The Tizapa Mine continued stable operations. The segment steadily captured the benefits of higher zinc and silver prices.
- Electronic Materials: Sales volume of silver powder recovered. Sales of composite oxide powders for fuel cell applications, driven by demand from AI data centers, increased.

Operating Results

Consolidated Profit Statements

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

	FY2025		FY2026		Changes			
	1Q Results	Full-year Results	1Q Results	Full-year Forecasts	1Q		Full Year	
Net Sales	160.1	745.4	253.3	941.0	93.2	58%	195.5	26%
Operating Profit	6.4	34.1	24.7	53.0	18.2	281%	18.8	55%
Ordinary Profit	8.6	54.3	32.5	80.0	23.9	278%	25.6	47%
Profit attributable to owners of parent	6.4	62.4	23.4	57.0	17.0	266%	(5.4)	(9%)

* Full-year forecasts for FY2026 remain unchanged from those announced on May 14, 2026.

Exchange Rate and Metal Prices

	FY2025		FY2026			
	1Q averages	Full-year averages	1Q assumptions	1Q averages	2Q–4Q assumptions	Full-year averages
Exchange Rate : (¥/$)	144.6	150.8	155.0	159.5	155.0	156.1
Copper : ($/t)	9,519	10,816	12,000	13,324	12,000	12,331
Zinc : ($/t)	2,641	2,968	3,100	3,463	3,100	3,191
Indium : ($/kg)	376	423	600	698	600	625

Business Environment (FY2026 1Q)

Demand Trends	Environmental management and recycling-related business	• Orders for waste treatment and recycling services in Japan remained firm. • In Southeast Asia, orders for waste treatment services in Indonesia were increased.
	Automobile-related business	• Overall automobile production remained firm, resulting in increased orders and sales of related products and services.
	New forms of energy- related business	• Sales of silver powder for solar panels and composite oxide powders for fuel cell applications increased.
	Information/communication-related business	• Demand for AI servers remained firm; however, sales volume was unchanged from the previous year due to further thinning of products.
Market Environment	• The average exchange rate was weaker yen/stronger U.S. dollar compared with the same period of the previous year. • Average prices of base metals, as well as precious metals such as gold, silver, and PGMs (platinum group metals), increased year on year.	
Costs	• Energy costs, including electricity charges, declined year on year, while purchasing conditions for smelting raw materials deteriorated. • Labor costs increased due to higher bonus payments and other factors, while material prices rose amid ongoing developments in the Middle East.	

Trends in Major Products

Indexes (100 for FY2025 1Q)

		FY2025 1Q	FY2025 2Q	FY2025 3Q	FY2025 4Q	FY2026 1Q
Environmental Management & Recycling	Waste treatment volume in Japan	100	93	99	91	104
	Recycled used home electronics appliances volume	100	100	101	92	100
	Net sales of waste treatment in the Southeast Asia Business	100	107	125	118	105
Nonferrous Metals	Collected recycling materials volume (KOSAKA SMELTING & REFINING)	100	87	97	92	104
	Zinc production volume	100	88	95	112	95
Electronic Materials	LEDs sales volume	100	122	95	85	94
	Silver powder sales volume	100	64	60	79	127
Metal Processing	Copper alloy strips sales volume	100	104	108	105	105
Heat Treatment	Net sales in the Heat Treatment Processing Business	100	107	108	110	106
	Net sales in the Industrial Furnaces Business	100	145	108	202	136

Year-on-Year Comparison by Segment

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

	FY2025 1Q Results			FY2026 1Q Results			Changes			Details of Changes to Ordinary Income [+] Factors contributing to profit increase [−] Factors contributing to profit decrease
	Net Sales	Operating Profit	Ordinary Profit	Net Sales	Operating Profit	Ordinary Profit	Net Sales	Operating Profit	Ordinary Profit	
Environmental Management & Recycling	48.9	3.9	3.6	65.2	4.3	4.0	16.2	0.3	0.4	[+] Higher treatment volume in the melting and recycling business [+] Higher metal prices [−] Increase in labor costs
Nonferrous Metals	74.2	1.9	3.6	125.7	15.6	22.8	51.5	13.6	19.2	[+] Higher metal prices and weaker yen [−] Deterioration in purchasing conditions for smelting raw materials [+] Improvement in inventory valuation gains/losses (lower of cost or market method and hedging transactions) [+] Increase in mine-related earnings
Electronic Materials	22.6	(0.9)	(0.5)	52.0	1.5	2.0	29.4	2.5	2.6	[+] Higher sales of short-wavelength infrared LEDs and photodiodes (PDs) for new applications [+] Higher sales of silver powder for solar panels [+] Improvement in inventory valuation gains/losses (lower of cost or market method) [+] Higher sales of magnetic powders and composite oxide powders
Metal Processing	33.0	0.9	0.7	46.5	2.6	2.7	13.4	1.7	1.9	[+] Increased sales of automobile-related products and services [+] Improvement in profitability due to higher copper prices (a temporary factor) [−] Increase in labor costs, rise in material unit prices
Heat Treatment	7.3	0.1	0.2	8.4	0.1	0.2	1.0	(0.0)	(0.0)	[+] Increased demand for domestic automobile-related products and services [+] Growth in orders for new furnaces [−] Increase in labor costs, rise in material unit prices
Other/ Eliminations	(26.1)	0.4	0.8	(44.6)	0.4	0.5	(18.4)	0.0	(0.3)	–
Total	160.1	6.4	8.6	253.3	24.7	32.5	93.2	18.2	23.9	

Factor Analysis of Ordinary Profit

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

FY2026 1Q – FY2025 1Q	Environmental Management & Recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Others	Total
Initiative effects / changes in sales volume, etc.	1.0	(0.1)	1.7	0.9	0.3	0.0	4.0
Free metal income (volume effect)	–	(0.3)	–	–	–	–	(0.3)
Free metal income (metal price effect)	–	7.8	–	–	–	–	7.8
Free metal income (foreign exchange effect)	–	2.0	–	–	–	–	2.0
Metal prices and FX (excluding the Nonferrous Metals segment)	0.7	–	0.3	1.5	–	–	2.7
Raw material costs (purchase terms effect)	–	(1.0)	–	–	–	–	(1.0)
Electricity costs	–	0.3	–	–	–	–	0.3
Inventory valuation gains/losses	(0.2)	5.4	0.5	(0.0)	–	0.1	5.7
Lower of cost or market method	(0.5)	1.1	0.5	0.0	–	0.1	1.2
Hedging transaction valuation gains/losses	0.2	4.3	–	(0.0)	–	–	4.5
Cost of sales (depreciation, etc.) / SG&A / R&D expenses	(1.2)	(0.8)	(0.1)	(0.7)	(0.3)	(0.1)	(3.5)
Change in operating profit	0.3	13.6	2.5	1.7	(0.0)	0.0	18.2
Non-operating income/expenses	0.0	5.5	0.1	0.2	0.0	(0.3)	5.6
Mine-related (equity-method investment gains/losses, royalties)	–	6.1	–	–	–	–	6.1
Income from the sale of samples	–	–	(0.0)	–	–	–	(0.0)
FX gains/losses, etc.	0.0	(0.6)	0.2	0.2	0.0	(0.3)	(0.4)
Change in ordinary profit	0.4	19.2	2.6	1.9	(0.0)	(0.3)	23.9

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Inventory Valuation Gains/Losses and Equity-Method Investment Gains/Losses

Inventory valuation gains/losses

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

Segment	Category	FY2025					FY2026				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Nonferrous Metals	Lower of cost or market method	(0.8)	(0.9)	(1.7)	(0.4)	(4.0)	0.3	－	－	－	0.3
	Hedging transaction valuation	0.0	(3.2)	(4.2)	6.4	(0.9)	4.3	－	－	－	4.3
	Total	(0.7)	(4.2)	(5.9)	5.9	(4.9)	4.6	－	－	－	4.6
Metal Processing	Lower of cost or market method	0.0	－	－	(0.0)	(0.0)	0.0	－	－	－	0.0
	Hedging transaction valuation	(0.3)	(0.0)	(0.6)	1.3	0.2	(0.3)	－	－	－	(0.3)
	Total	(0.2)	(0.0)	(0.6)	1.2	0.2	(0.2)	－	－	－	(0.2)
Others	Lower of cost or market method	0.0	0.0	0.0	(0.4)	(0.2)	0.1	－	－	－	0.1
	Hedging transaction valuation	0.1	(0.3)	0.0	0.6	0.4	0.4	－	－	－	0.4
	Total	0.1	(0.3)	0.0	0.2	0.1	0.5	－	－	－	0.5

Equity-method investment gains/losses

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

Segment	Category	Owner ship	FY2025					FY2026				
			1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Nonferrous Metals	Tizapa Mine	39%	(0.1)	(0.6)	0.1	3.3	2.6	3.5	－	－	－	3.5
	Los Gatos Mine	30%	1.4	1.6	3.1	3.8	10.1	3.4	－	－	－	3.4
Others	-	-	0.2	0.2	0.3	1.6	2.5	(0.6)	－	－	－	(0.6)
Total			1.6	1.2	3.5	8.8	15.2	6.2	－	－	－	6.2

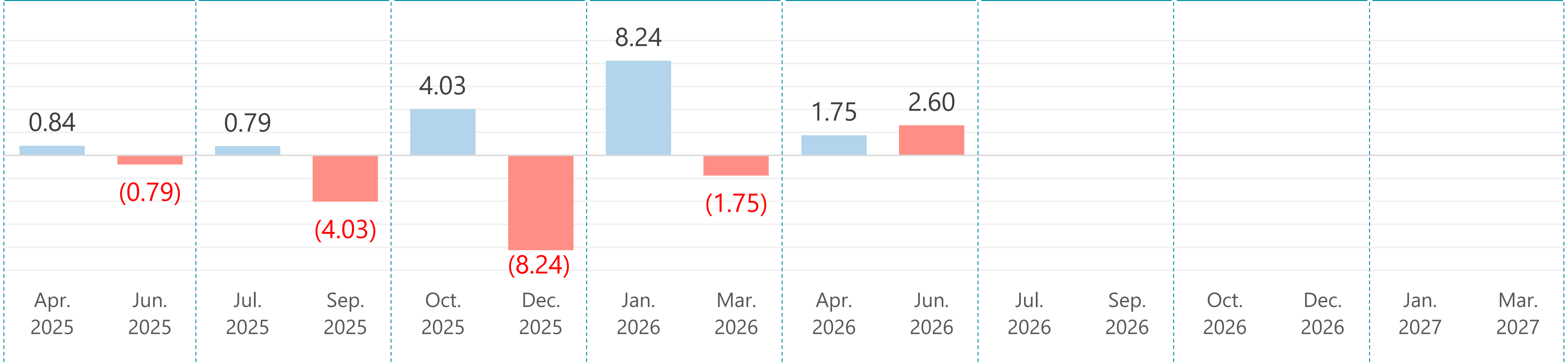
・The Group's consolidated fiscal year runs from April to March; however, because the fiscal years of the Tizapa Mine and the Los Gatos Mine run from January to December, their results are reflected in the Group's consolidated financial statements with a one-quarter lag.

(Ref.) Valuation Gains/Losses on Hedging Transactions in the Nonferrous Metals Segment

- As silver prices declined toward the end of the first quarter, the quarter-end valuation amount for FY2026 1Q was a gain of 2.6 billion yen.
- Including the reversal of the previous quarter-end valuation amount, total valuation gains on hedging transactions during FY2026 1Q amounted to 4.35 billion yen, an improvement of 4.30 billion yen year on year.

Trend of Valuation Gains/Losses on Hedging Transactions

FY2025 Total Amount: (0.91) billion yen				FY2026 Total Amount (through Q1)：4.35 billion yen			
1Q 0.05	2Q (3.24)	3Q (4.21)	4Q 6.47	1Q 4.35	2Q -	3Q -	4Q -



- The Group enters into hedging transactions for inventories to mitigate the risk of fluctuations in metal prices and foreign exchange rates.
- As a rule, hedging transactions are marked to market at the end of each quarter, and the resulting valuation gains or losses are recognized in earnings.
- For certain transactions that do not qualify for hedge accounting, valuation differences are recognized in profit or loss as valuation gains or losses on hedging transactions (quarter-end valuation amount).The quarter-end valuation amount is reversed at the beginning of the following quarter, after which the positions are again marked to market at the next quarter-end.

FY2026 Full-year Forecasts: By Segment (Year-on-Year Comparison)

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

	FY2025 Results			FY2026 Forecasts announced on May. 14			Changes		
	Net Sales	Operating Profit	Ordinary Profit	Net Sales	Operating Profit	Ordinary Profit	Net Sales	Operating Profit	Ordinary Profit
Environmental Management & Recycling	227.1	16.0	16.5	234.0	14.2	14.5	6.8	(1.8)	(2.0)
Nonferrous Metals	364.7	6.9	19.6	523.8	28.2	53.0	159.0	21.2	33.3
Electronic Materials	104.5	(2.6)	1.1	126.7	0.6	2.5	22.1	3.2	1.3
Metal Processing	147.3	9.3	9.7	169.0	7.2	7.1	21.6	(2.1)	(2.6)
Heat Treatment	33.9	1.9	2.7	35.8	2.1	2.3	1.8	0.1	(0.4)
Other/ Eliminations	(132.4)	2.5	4.4	(148.3)	0.7	0.6	(15.8)	(1.8)	(3.8)
Total	745.4	34.1	54.3	941.0	53.0	80.0	195.5	18.8	25.6

* Full-year forecasts for FY2026 remain unchanged from those announced on May 14, 2026.

FY2026 Full-year Forecasts: By Segment (H1,H2)

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

	FY2026 H1 Forecasts			FY2026 H2 Forecasts			FY2026 Full-year Forecasts		
	Net Sales	Operating Profit	Ordinary Profit	Net Sales	Operating Profit	Ordinary Profit	Net Sales	Operating Profit	Ordinary Profit
Environmental Management & Recycling	113.2	6.7	6.6	120.8	7.5	7.8	234.0	14.2	14.5
Nonferrous Metals	247.5	12.9	25.1	276.3	15.3	27.9	523.8	28.2	53.0
Electronic Materials	62.2	0.2	1.4	64.5	0.4	1.1	126.7	0.6	2.5
Metal Processing	83.0	3.1	3.0	86.0	4.1	4.1	169.0	7.2	7.1
Heat Treatment	16.9	0.6	0.7	18.9	1.5	1.5	35.8	2.1	2.3
Other/ Eliminations	(73.4)	0.2	0.2	(74.9)	0.5	0.4	(148.3)	0.7	0.6
Total	449.4	23.7	37.1	491.6	29.3	42.9	941.0	53.0	80.0

* Full-year forecasts for FY2026 remain unchanged from those announced on May 14, 2026.

Assumptions and Sensitivities (FY2026)

Sensitivity (Operating Profit / year)

Billion yen

	Assumptions	Fluctuation	Sensitivity
Exchange rate	155.0 ¥／$	±1 ¥／$	**0.63**
Copper	12,000 $／t	±100 $／t	**0.03**
Zinc	3,100 $／t	±100 $／t	**0.46**
Indium	600 $／kg	±10 $／kg	**0.07**

* Exchange rate sensitivity; Nonferrous Metals 0.55 billion yen and Electronic Materials 0.07 billion yen.

Exchange Rate and Metal Prices

	FY2025		FY2026				Ref. Jul. 2026 averages
	1Q averages	Full year averages	1Q assumptions	1Q averages	2Q–4Q assumptions	Full year averages	
Exchange rate : (¥/$)	144.6	150.8	155.0	159.5	155.0	156.1	162.6
Copper : ($/t)	9,519	10,816	12,000	13,324	12,000	12,331	13,525
Zinc : ($/t)	2,641	2,968	3,100	3,463	3,100	3,191	3,596
Indium : ($/kg)	376	423	600	698	600	625	774

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.

Appendix

Historical Data

Consolidated financial data

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

		FY2024					FY2025					FY2026				
		1Q	2Q	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	Full-year
Total	Net Sales	188.9	163.5	164.6	161.4	678.6	160.1	157.0	181.5	246.6	745.4	253.3	-	-	-	-
	Operating Profit	11.7	9.7	4.1	6.5	32.2	6.4	5.2	0.9	21.4	34.1	24.7	-	-	-	-
	Ordinary Profit	14.2	12.7	7.5	9.0	43.5	8.6	6.9	6.3	32.3	54.3	32.5	-	-	-	-
	Profit attributable to owners of parent	11.7	8.7	3.2	3.3	27.1	6.4	7.2	4.9	43.8	62.4	23.4	-	-	-	-
Environmental Management & Recycling	Net Sales	44.2	41.8	46.6	47.4	180.1	48.9	50.4	61.1	66.5	227.1	65.2	-	-	-	-
	Operating Profit	4.1	3.5	3.7	2.4	13.9	3.9	2.8	5.3	3.7	16.0	4.3	-	-	-	-
	Ordinary Profit	4.5	3.2	4.4	2.7	14.9	3.6	2.5	5.9	4.3	16.5	4.0	-	-	-	-
Nonferrous Metals	Net Sales	72.9	60.0	65.1	68.1	266.3	74.2	71.8	88.7	129.9	364.7	125.7	-	-	-	-
	Operating Profit	4.3	4.0	(1.0)	3.1	10.5	1.9	0.3	(6.1)	10.8	6.9	15.6	-	-	-	-
	Ordinary Profit	5.2	6.9	0.6	4.2	17.1	3.6	0.7	(2.8)	18.1	19.6	22.8	-	-	-	-
Electronic Materials	Net Sales	60.0	42.3	35.9	26.4	164.8	22.6	18.6	22.8	40.3	104.5	52.0	-	-	-	-
	Operating Profit	0.8	0.1	(0.2)	(1.3)	(0.5)	(0.9)	(0.6)	(1.3)	0.2	(2.6)	1.5	-	-	-	-
	Ordinary Profit	1.2	0.0	0.1	(1.1)	0.3	(0.5)	0.0	(0.3)	1.9	1.1	2.0	-	-	-	-
Metal Processing	Net Sales	30.5	32.4	33.2	32.6	128.7	33.0	34.4	37.2	42.5	147.3	46.5	-	-	-	-
	Operating Profit	2.1	1.3	0.9	0.7	5.2	0.9	1.5	2.0	4.8	9.3	2.6	-	-	-	-
	Ordinary Profit	2.2	1.5	0.8	1.2	5.9	0.7	1.6	2.2	5.1	9.7	2.7	-	-	-	-
Heat Treatment	Net Sales	7.0	8.0	7.8	10.8	33.7	7.3	8.6	7.9	9.9	33.9	8.4	-	-	-	-
	Operating Profit	0.1	0.4	0.5	1.0	2.1	0.1	0.5	0.3	0.8	1.9	0.1	-	-	-	-
	Ordinary Profit	0.3	0.3	0.6	0.8	2.1	0.2	0.8	0.5	1.0	2.7	0.2	-	-	-	-
Other/ Eliminations	Net Sales	(25.7)	(21.0)	(24.3)	(24.0)	(95.2)	(26.1)	(27.0)	(36.5)	(42.6)	(132.4)	(44.6)	-	-	-	-
	Operating Profit	0.1	0.1	0.1	0.4	0.9	0.4	0.5	0.7	0.8	2.5	0.4	-	-	-	-
	Ordinary Profit	0.6	0.5	0.7	1.1	3.0	0.8	1.0	0.7	1.7	4.4	0.5	-	-	-	-

Exchange rate, Metal Prices

	FY2024					FY2025					FY2026				
	1Q Avg.	2Q Avg.	3Q Avg.	4Q Avg.	FY Avg.	1Q Avg.	2Q Avg.	3Q Avg.	4Q Avg.	FY Avg.	1Q Avg.	2Q Avg.	3Q Avg.	4Q Avg.	FY Avg.
Exchange rate (¥/$)	155.9	149.4	152.4	152.6	152.6	144.6	147.5	154.1	156.9	150.8	159.5	-	-	-	-
Copper ($/t)	9,751	9,204	9,178	9,346	9,370	9,519	9,792	11,100	12,852	10,816	13,324	-	-	-	-
Zinc ($/t)	2,833	2,779	3,048	2,838	2,874	2,641	2,824	3,165	3,243	2,968	3,463	-	-	-	-
Indium ($/kg)	324	370	341	353	347	376	355	367	593	423	698	-	-	-	-

Exchange Rate and Metal Prices

- The average exchange rate for FY2026 1Q was 159.5 yen per U.S. dollar, representing a weaker yen and stronger U.S. dollar compared with the same period of the previous year.
- While copper and zinc prices continued their upward trend, precious metal prices, including gold, silver, and platinum, declined during the first quarter.

		FY2025					FY2026				
		1Q Avg.	2Q Avg.	3Q Avg.	4Q Avg.	FY Avg.	1Q Avg.	2Q Avg.	3Q Avg.	4Q Avg.	FY Avg.
Exchange rate	¥/$	144.6	147.5	154.1	156.9	150.8	159.5	―	―	―	159.5
Copper	$/t	9,519	9,792	11,100	12,852	10,816	13,324	―	―	―	13,324
Zinc	$/t	2,641	2,824	3,165	3,243	2,968	3,463	―	―	―	3,463
Indium	$/kg	376	355	367	593	423	698	―	―	―	698
Gold	$/oz	3,280	3,454	4,145	4,877	3,939	4,516	―	―	―	4,516
Silver	$/oz	33.6	39.4	54.8	84.4	53.1	73.4	―	―	―	73.4
Platinum	$/oz	1,073	1,384	1,675	2,207	1,585	1,922	―	―	―	1,922
Palladium	$/oz	991	1,170	1,469	1,714	1,336	1,415	―	―	―	1,415
Rhodium	$/oz	5,453	6,770	7,912	10,790	7,731	9,282	―	―	―	9,282

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Forward-looking statements made in this document, such as business forecast, 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.