

Notice of Revisions of Financial Forecasts

Dowa Holdings Co., Ltd. (“the Company”) has revised its first half consolidated forecasts for fiscal 2018 (April 1, 2018 to September 30, 2018) and full-year consolidated forecasts for fiscal 2018 (April 1, 2018 to March 31, 2019), which were announced on May 11, 2018, in light of the recent performance. Details are as follows:

1. Revisions of Consolidated Financial Forecasts

(1) First Half Consolidated Forecasts for Fiscal 2018 (April 1, 2018 to September 30, 2018)

(Millions of Yen)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent	Net Income per Share (Yen)
Previous Forecast (A) (Announced on May 11, 2018)	229,000	14,500	17,500	12,500	211.20
Revised Forecast (B)	221,800	9,300	12,800	8,800	148.69
Change (B-A)	(7,200)	(5,200)	(4,700)	(3,700)	
Percentage Change (%)	(3.1%)	(35.9%)	(26.9%)	(29.6%)	
(Ref.) Previous Fiscal Year First Half Results (First Half of Year Ended March 31, 2018)	219,302	14,672	17,258	11,733	198.24

(2) Full-year Consolidated Forecasts for Fiscal 2018 (April 1, 2018 to March 31, 2019)

(Millions of Yen)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent	Net Income per Share (Yen)
Previous Forecast (A) (Announced on May 11, 2018)	475,000	32,000	38,000	26,500	447.75
Revised Forecast (B)	455,000	24,500	30,000	21,000	354.82
Change (B-A)	(20,000)	(7,500)	(8,000)	(5,500)	
Percentage Change (%)	(4.2%)	(23.4%)	(21.1%)	(20.8%)	
(Ref.) Previous Fiscal Year Results (Year Ended March 31, 2018)	454,754	30,948	36,355	24,693	417.21

2. Reasons for the Revisions

In the business environment of DOWA Group for the first half of fiscal 2018, the exchange rate was on par with the initial assumption, but the price of metals such as copper and zinc declined sharply. In addition, due to the impact of loss by lower of cost or market method on raw material inventories at the end of first half, the Company expects earnings lower than the previous forecast, mainly in Nonferrous metal segment.

The Company also revised the second half forecast on the premise that the current level of metal prices will continue.

Assumptions on the financial forecasts are as follows:

	Previous Forecast (Announced on May 11, 2018)	First Half Average	Revised Forecast (Assumptions for the Second Half Average)
Exchange Rates (Yen per US\$)	110.0	110.3	110.0
Copper (US\$ per ton)	7,000	6,487	6,200
Zinc (US\$ per ton)	3,200	2,824	2,600
Indium (US\$ per kg)	350	286	250

3. Consolidated Financial Forecasts by Segment

(1) First Half Consolidated Forecasts for Fiscal 2018 (April 1, 2018 to September 30, 2018)

(Billions of Yen)

	Previous Forecast			Revised Forecast			Changes		
	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income
Environmental Management & Recycling	52.7	3.0	3.1	51.2	2.8	3.2	(1.5)	(0.2)	0.1
Nonferrous Metals	109.9	4.5	6.8	109.3	0.1	2.7	(0.6)	(4.4)	(4.1)
Electronic Materials	36.2	2.0	2.7	33.3	1.6	2.1	(2.9)	(0.4)	(0.6)
Metal Processing	46.6	3.5	3.5	46.0	3.1	3.2	(0.6)	(0.4)	(0.3)
Heat Treatment	14.3	1.3	1.2	13.6	1.2	1.2	(0.7)	(0.1)	0
Other/ Elimination	(30.7)	0.2	0.2	(31.6)	0.5	0.4	(0.9)	0.3	0.2
Total	229.0	14.5	17.5	221.8	9.3	12.8	(7.2)	(5.2)	(4.7)

(2) Consolidated Full-year Forecasts for Fiscal 2018 (April 1, 2018 to March 31, 2019)

(Billions of Yen)

	Previous Forecast			Revised Forecast			Changes		
	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income
Environmental Management & Recycling	109.3	6.5	6.7	104.5	5.5	6.3	(4.8)	(1.0)	(0.4)
Nonferrous Metals	227.0	9.6	13.8	224.3	4.0	8.0	(2.7)	(5.6)	(5.8)
Electronic Materials	73.3	4.0	5.7	66.7	3.2	4.5	(6.6)	(0.8)	(1.2)
Metal Processing	95.5	7.6	7.7	93.5	7.2	7.4	(2.0)	(0.4)	(0.3)
Heat Treatment	30.7	3.3	3.2	29.9	3.2	3.2	(0.8)	(0.1)	0
Other/ Elimination	(60.8)	1.0	0.9	(63.9)	1.4	0.6	(3.1)	0.4	(0.3)
Total	475.0	32.0	38.0	455.0	24.5	30.0	(20.0)	(7.5)	(8.0)

(Notes)

The above forecasts are made based on information available at the time of the announcement and certain assumptions that the Company considers reasonable. Actual performance and other results may differ significantly from the forecasts, due to a variety of factors.