

Notice of Differences Between First Half Consolidated Financial Forecasts and Actual Results, and Revisions of Full Year Consolidated Financial Forecasts

DOWA HOLDINGS CO., LTD. (“the Company”) hereby announces the differences between the first half consolidated financial forecasts for the fiscal year ending March 31, 2022 (April 1, 2021 to September 30, 2021) announced on August 6, 2021 and the actual results announced today.

Moreover, the Company has revised its full year consolidated forecasts for fiscal year ending March 31, 2022 (April 1, 2021 to March 31, 2022), which were announced on August 6, 2021, in light of the recent performance. Details are as follows:

1. Differences Between First Half Consolidated Financial Forecasts and Actual Results

(1) Differences Between First Half Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2022 and Actual Results (April 1, 2021 to September 30, 2021)

	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)
Previous Forecasts (A) (Announced on August 6, 2021)	397,100	33,800	38,600	25,000	420.15
Actual Results (B)	423,263	37,969	47,456	32,597	547.84
Changes (B-A)	26,163	4,169	8,856	7,597	
Percentage Changes (%)	6.6	12.3	22.9	30.4	
(Ref.) Previous Fiscal Year H1 Results (H1 of Year Ended March 31, 2021)	252,479	12,619	9,328	1,616	27.31

(2) Reasons for the Differences

In the first half of the current fiscal year, orders and sales for major products and services remained firm and, metal prices exceeded the level assumed in the previous forecasts announced on August 6, 2021. As these results, operating income was higher than the previous forecasts.

In addition, the previous forecasts did not include the results and earnings forecasts of Fujita Kanko Inc., an equity method affiliate, as the earnings forecast for their fiscal year ending December 31, 2021 was not announced. On the other hand, the Company recorded the share of profit of entities accounted for using equity method of Fujita Kanko based on their first half results. Therefore, the results for the first half of the current fiscal year exceeded the previous forecasts for ordinary income and net income attributable to owners of the parent.

2. Revisions of Full Year Consolidated Financial Forecasts

(1) Full Year Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

	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)
Previous Forecasts (A) (Announced on August 6, 2021)	780,000	58,000	66,000	42,000	705.85
Revised Forecasts (B)	840,000	61,000	70,000	44,000	739.47
Change (B-A)	60,000	3,000	4,000	2,000	
Percentage Change (%)	7.7	5.2	6.1	4.8	
(Ref.) Previous Fiscal Year Results (Year Ended March 31, 2021)	588,003	37,454	37,200	21,824	368.45

(2) Reasons for the Revisions

In the business environment in the third quarter and beyond, orders and sales of major products and services will continue to be firm. In the foreign exchange market and metal prices, the both will remain at the same level as at the end of the second quarter.

Taking into accounts the first half results of the fiscal year and above-mentioned business environments, the Company's consolidated earnings forecast for the fiscal year ending March 31, 2022 is expected to exceed the previous forecasts, mainly in the Nonferrous Metals segment.

Furthermore, regarding Fujita Kanko Inc., an equity method affiliate, the company has not been announced their earnings forecasts for the fiscal year ending December 31, 2021, therefore this forecast does not include their financial results and the full year forecasts for the current fiscal year.

(3) Consolidated Financial Forecasts by Segment

Full Year Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(Billions of Yen)

	Previous Forecasts			Revised Forecasts			Changes		
	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income
Environmental Management & Recycling	113.2	10.7	10.8	128.0	11.0	11.0	(5.2)	0.3	0.2
Nonferrous Metals	409.0	31.7	38.5	450.0	34.0	42.0	41.0	2.3	3.5
Electronic Materials	175.0	5.3	6.3	191.0	5.5	6.4	16.0	0.2	0.1
Metal Processing	102.3	6.8	7.1	112.0	6.7	7.3	9.7	0.0	0.2
Heat Treatment	28.1	2.8	2.8	28.0	2.8	2.8	(0.1)	0.0	0.0
Other/ Elimination	(67.6)	0.8	0.5	(69.0)	1.0	0.5	(4.1)	0.2	0.0
Total	780.0	58.0	66.0	840.0	61.0	70.0	60.0	3.0	4.0

(Notes)

The above values have been rounded down to the nearest second decimal place. Therefore, the total values of some segments may not be the same as the sum of the detailed values in each segment.

The forecasts included in this document are based on the information available to the Company at the time of the announcement and certain assumptions considered reasonable. Actual results may differ materially due to a range of factors.