

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, 2024 (April 1, 2023 to September 30, 2023) announced on May 12, 2023 and the actual results announced today.

Moreover, the Company has revised its full year consolidated forecasts for fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024), which were announced on May 12, 2023, 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, 2024 and Actual Results
(April 1, 2023 to September 30, 2023)

	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 May 12, 2023)	335,000	10,600	13,700	8,800	147.85
Actual Results (B)	370,759	14,263	21,827	13,185	221.52
Changes (B-A)	35,759	3,663	8,127	4,385	
Percentage Changes (%)	10.7	34.6	59.3	49.8	
(Ref.) Previous Fiscal Year H1 Results (H1 of Year Ended March 31, 2023)	401,826	30,044	36,939	22,736	382.06

(2) Reasons for the Differences

In the first half of the current fiscal year, although orders for certain automobile-related products and services, and sales of information and communication-related products were lower than the previous forecasts announced on May 12, 2023, sales of new forms of energy-related products increased, and orders for waste treatment- and recycling-related services remained firm. In the foreign exchange market and metal prices, the average exchange rate of the yen weakened against the U.S. dollar than the previous forecasts, but the average price of copper, silver and PGMs (platinum group metals) decreased. Regarding the cost, electricity cost was lower than the previous forecast. In addition, equity method income increased due to strong performance of overseas zinc mine operating companies and Fujita Kanko Inc.

As these results, both sales and profit increased compared to the previous forecasts.

2. Revisions of Full Year Consolidated Financial Forecasts

(1) Full Year Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2024

(April 1, 2023 to March 31, 2024)

	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 May 12, 2023)	680,000	23,000	30,000	20,000	336.02
Revised Forecasts (B)	705,000	23,000	35,000	23,000	386.04
Change (B-A)	25,000	0	5,000	3,000	
Percentage Change (%)	3.7	0.0	16.7	15.0	
(Ref.) Previous Fiscal Year Results (Year Ended March 31, 2023)	780,060	44,610	55,501	25,041	420.76

(2) Reasons for the Revisions

In the business environment in the third quarter and beyond, although orders for automobile-related products and services, and sales of new forms of energy-related products will continue to be firm, sales of information and communication-related products and orders for waste treatment- and recycling-related services are expected to be lower than the previous forecasts. In the foreign exchange market and metal prices, both will remain at the same level as at the end of the second quarter of the current fiscal year. In addition, electricity cost is expected to be lower than the previous forecasts.

Taking into accounts the first half results of the current fiscal year and above-mentioned business environments, the Company's consolidated earnings forecasts for the fiscal year ending March 31, 2024 are expected to be at the same level as previous forecasts for operating income, while ordinary income and profit attributable to owners of parent are expected to exceed the previous forecasts.

(3) Consolidated Financial Forecasts by Segment

Full Year Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2024

(April 1, 2023 to March 31, 2024)

(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	143.4	9.9	10.0	147.0	9.8	10.5	3.6	(0.1)	0.5
Nonferrous Metals	342.5	4.5	10.0	317.0	4.9	11.8	(25.5)	0.4	1.8
Electronic Materials	120.9	0.8	2.3	170.0	0.6	2.7	49.1	(0.2)	0.4
Metal Processing	114.8	4.4	4.5	116.0	4.5	4.9	1.2	0.1	0.4
Heat Treatment	33.2	2.8	3.0	33.0	2.3	2.9	(0.2)	(0.5)	(0.1)
Other/ Elimination	(74.8)	0.6	0.2	(78.0)	0.9	2.2	(3.2)	0.3	2.0
Total	680.0	23.0	30.0	705.0	23.0	35.0	25.0	0.0	5.0

(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.