

**Fiscal 2017 First Quarter
Supplementary Information**

August 9, 2017

DOWA HOLDINGS CO.,LTD.

Overview of Operating Results

■ Consolidated Income Statements

Billion yen

	FY2016 results		FY2017		Changes			
	1Q	Full Year	1Q Results	Full Year Forecasts	1Q		Full Year	
Net Sales	93.7	410.5	110.1	434.0	16.3	17%	23.4	6%
Operating Income	7.6	33.9	8.2	34.0	0.6	8%	0.0	0%
Ordinary Income	6.8	36.5	9.0	36.5	2.2	34%	0.0	△ 0%
Profit attributable to owners of parent	4.9	26.1	6.1	26.0	1.2	24%	(0.1)	△ 1%

- Full-year forecasts announced on May 9,2017 remains unchanged.

Exchange Rate and Metal Prices

	FY2016			FY2017		
	1Q average	2Q average	Full Year average	1Q average	Assumption after 2Q	Assumption for full year
Exchange Rate: (¥/\$)	108.1	102.4	108.4	111.1	115.0	114.0
Copper: (\$/t)	4,730	4,774	5,154	5,663	5,500	5,541
Zinc: (\$/t)	1,915	2,253	2,367	2,598	2,700	2,675
Indium: (\$/kg)	237	206	207	186	190	189

Business Environment (1Q)

➤ **Waste-related business**

Domestic market: Industrial waste generation was steady.

Southeast Asia: The amount of waste generated continued to increase.

➤ **Automobile-related market**

Production volume of automobiles was steady both domestically and overseas.

➤ **New forms of energy- and electronic components-related business**

New forms of energy: Affected by inventory adjustment by some customers.

Electronic components: Steady demand mainly in East Asia.

➤ **Metal prices and Exchange rates**

Metal prices: Copper and zinc rose year on year.

Exchange rates: Without major fluctuations, it was roughly around \$ 110 per dollar.

Trends in Major Products

Indexes (100 for Q1 of FY2016)

		FY2016				FY2017
		1Q	2Q	3Q	4Q	1Q
Environmental Management & Recycling	Intermediate waste processing volume in Japan	100	104	109	102	106
	Recycling materials collection volume (Kosaka)	100	108	111	91	96
	Waste processing amount in South East Asia	100	103	111	129	120
Nonferrous Metals	Copper production (Kosaka, Onahama)	100	86	83	89	85
	Zinc production (Akita)	100	72	91	99	92
Electronic Materials	LED sales volume	100	88	82	86	79
	Silver powder sales volume	100	101	97	95	89
Metal Processing	Copper alloy strip sales volume	100	104	106	104	105
Heat Treatment	Heat treatment sales amount	100	103	118	116	112
	Industrial furnace sales amount	100	116	109	183	104

Consolidated Results by Segment

Billion Yen

	FY2016 1Q Results			FY2017 1Q Results			Changes		
	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income
Environmental Management & Recycling	21.8	1.0	0.8	24.3	1.6	1.7	2.4	0.6	0.9
Nonferrous Metals	49.7	2.9	2.9	50.1	2.9	3.8	0.3	0.0	0.9
Electronic Materials	13.1	1.4	1.2	23.2	1.4	1.5	10.1	0.0	0.3
Metal Processing	17.5	1.5	1.5	21.0	1.5	1.6	3.5	(0.0)	0.0
Heat Treatment	5.5	0.4	0.3	5.9	0.3	0.2	0.4	(0.1)	(0.0)
Other/ Elimination	(14.0)	0.2	(0.1)	(14.5)	0.3	0.0	(0.5)	0.0	0.0
Total	93.7	7.6	6.8	110.1	8.2	9.0	16.3	0.6	2.2

Factor Analysis of Ordinary Income

Billion yen

FY2017.1Q – FY2016.1Q	Environmental Management & Recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Other	Total
Effect of various measures, increase/decrease in sales, etc.	0.6	0.6	(0.0)	0.0	(0.1)	0.1	1.1
Of the above, free metal income difference (volume difference)	–	0.1	–	–	–	–	0.1
Free metal income difference (metal price difference)	–	0.4	–	–	–	–	0.4
Exchange rate difference of foreign currency-based income	–	0.1	0.0	–	–	–	0.2
Conditions of raw material (changes in base conditions)	–	0.1	–	–	–	–	0.1
Difference between the market value and book value at sale, and between market value and valuation prices at end of period	–	(0.9)	–	–	–	–	(0.9)
Electricity charges, etc.	–	0.0	–	–	–	–	0.0
Depreciation in manufacturing cost	0.0	(0.4)	(0.0)	(0.1)	0.0	(0.0)	(0.4)
Increase/decrease in operating income	0.6	0.0	0.0	(0.0)	(0.1)	0.0	0.6
Effect of non-operating income/expenses							
- Equity method income or loss	(0.2)	0.8	0.0	0.0	0.0	0.0	0.7
- Other	0.4	0.1	0.3	0.0	0.1	0.0	0.9
Increase/decrease in ordinary income	0.9	0.9	0.3	0.0	(0.0)	0.0	2.2

Forecast for Fiscal 2017

Billion yen

	FY2016 Results			FY2017 Forecast			Changes		
	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income
Environmental Management & Recycling	96.9	6.6	6.8	99.0	7.0	7.0	2.0	0.3	0.1
Nonferrous Metals	207.7	10.0	12.2	214.0	9.6	11.8	6.2	(0.4)	(0.4)
Electronic Materials	62.5	6.5	6.8	66.0	6.0	6.5	3.4	(0.5)	(0.3)
Metal Processing	75.4	6.9	7.1	84.0	7.1	7.2	8.5	0.1	0.0
Heat Treatment	25.1	2.3	2.2	30.0	2.9	2.8	4.8	0.5	0.5
Other/ Elimination	(57.4)	1.3	1.1	(59.0)	1.4	1.2	(1.5)	0.0	0.0
Total	410.5	33.9	36.5	434.0	34.0	36.5	23.4	0.0	0.0

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.