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Dowa Holdings Co.,Ltd

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Notice of Revision of Financial Results Forecast

In light of the recent business performance , Dowa Holdings Co.,Ltd has revised consolidated earning forecasts for the first half of the FY2008 (from April 1 to September 30,2008) and consolidated earnings forecasts for FY2008 (from April1,2008 to March31,2009) as below ,both of which were disclosed on May 14,2008.

1.Revision of consolidated earning forecasts

(1)Revision of consolidated earnings forecasts for the first half of FY2008 (from April 1 to September 30,2008)

(in millions of Yen)

	Net sales	Operating Income	Ordinary Income	Net Income
Previous forecast(A)	225,000	18,000	18,000	10,000
Revised forecast (B)	215,000	10,000	10,000	5,500
Change(B-A)	△10,000	△8,000	△8,000	△4,500
Rate of change(%)	△4.4%	△44.4%	△44.4%	△45.0%
(Ref.) Previous year Q2 results (Q2 of year ended March,2008)	237,212	27,360	27,446	12,118

(2)Revision of consolidated earnings forecasts for FY2008 (from April 1 ,2008 to March 31,2009)

(in millions of Yen)

	Net sales	Operating Income	Ordinary Income	Net Income
Previous forecast(A)	460,000	40,000	40,000	22,000
Revised forecast (B)	400,000	22,000	22,000	12,000
Change(B-A)	△60,000	△18,000	△18,000	△10,000
Rate of change(%)	△13.0%	△45.0%	△45.0%	△45.5%
(Ref.) Previous year results (Year ended March,2008)	475,826	44,319	44,888	24,520

2.Reasons for the Revisions

(1)Revision of consolidated earnings forecasts for the first half of FY2008 (from April 1 to September 30,2008)

As for forecasts of consolidated earnings for the first half of FY2008, Environmental management & Recycling segment ,Electronic materials segment and Heat treatment segment are expected to meet the previous forecast. On the other hand, Nonferrous Metals segment and Metal Processing segment fall below the forecasts previously announced . Additionally, the appraisal loss of inventory turnover caused by the rapid fall of copper and silver prices at the end of the second quarter are expected to decrease the profit by ¥6.1billion .

Consequently the forecast of net sales is revised downward to ¥215billion (△¥10billion) , operating income to ¥10billion (△¥8billion) , net income to ¥5.5billion (△¥4.5 billion) .

(2) Revision of consolidated earnings forecasts for the fiscal FY2008 (from April 1 to March 31,2009)

In terms of the business environment , world-wide economic downturn arisen from subprime problem brought about sluggish demand of automotive and IT industry on September or so , which affects all our business segments extensively . Moreover continuing fall of metal prices deprives Nonferrous Metals segment of its profitability .

By altering the assumption of the exchange rate and metal prices in the latter six months reasonably , earnings are expected to be ¥5.0billion lower than that of previous estimates .

Although we are now in consideration to take various cost reduction measures, these damages caused by these rapid environmental changes are not avoided. As a result, as for revision of consolidated earnings forecasts for the fiscal year, net sales revised downward to ¥400billion (△ ¥60billion) , operating income to ¥22billion (△¥18billion) , net income to ¥12billion (△¥10 billion) .

The assumption of the exchange rate and metal prices in the latter six months are as follows.

(in millions of Yen)

	Average in Aug,2008	Average in Sep,2008	Previous forecast	Revised forecast
Exchange rate (yen/US\$)	109.3	106.8	95.0	100.0
Copper LME (\$/t)	7,635	6,991	8,400	6,000
Zinc LME (\$/t)	1,723	1,735	2,400	1,600

The above forecasts are forward-looking statements made on the basis of information available at the time of announcement . Therefore,actual operating results may differ from forecast figures as a result of changes in business performance and other factors.