

## Notice of Revision of Financial Results Forecast for FY2008 and Loss on Devaluation of Investment Securities

In light of the recent business performance, Dowa Holdings Co., Ltd. has revised consolidated earnings forecasts for FY2008 (from April 1, 2008 to March 31, 2009), which were disclosed on October 14, 2008, as set out below.

### Revision of consolidated earnings forecasts

Millions of yen				
	Net Sales	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	400,000	22,000	22,000	12,000
<b>Revised Forecast (B)</b>	<b>345,000</b>	<b>-8,000</b>	<b>-10,000</b>	<b>-18,000</b>
Change (B-A)	-55,000	-30,000	-32,000	-30,000
Rate of Change (%)	-13.8%	—	—	—
(Ref.) Previous Year Results (Year ended March 2008)	475,826	44,319	44,888	24,520

### <Reasons for the Revisions>

Looking at the Group's operating environment, because of the worldwide economic downturn, demand from automotive and IT industries has been stuck in a sharp downward trend since the second quarter, and the strong yen and falling metal prices have caused significant deterioration in the Company's earnings. The deterioration in the operating environment is expected to decrease profits by around 11 billion yen, unfavorable exchange rates and falling metal prices are expected to decrease profits by around 20 billion yen, and total profits are expected to decline by 32 billion yen with previous forecast.

Consequently, although we are taking action to reduce costs, the damages caused by these rapid environmental changes is unavoidable, and we have revised downward our consolidated earnings forecasts for the fiscal year to net sales of 345 billion yen, down 55 billion yen from the previous forecast, an operating loss of 8 billion yen, down 30 billion yen, and an ordinary loss of 10 billion yen, down 32 billion yen.

Moreover, at the end of the third quarter the Company expects to record a loss on the devaluation of investment securities of 8.6 billion yen as a result of the impairment of held securities classified as "available-for-sale securities" whose fair value has declined significantly and is considered irrecoverable.

As a result the Company expects to record net losses of 18 billion yen, 30 billion yen less than previously forecast.

### Total amount of loss on the devaluation of investment securities for the third quarter of fiscal 2008 (consolidated)

(A) Total amount of loss on the devaluation of investment securities for the third quarter of fiscal 2008	8,649 million yen
(B) Net assets for fiscal 2007 (A/B x 100)	150,281 million yen (5.8%)
(C) Ordinary income for fiscal 2007 (A/C x 100)	44,888 million yen (19.3%)
(D) Net income for fiscal 2007 (A/D x 100)	24,520 million yen (35.3%)

(Note) The Company's third quarter ends on December 31.