

Notice of Revision of Financial Results Forecast for FY2008

1. Revision of consolidated earnings forecasts

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 January 20, 2009, as set out below.

Millions of yen

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	345,000	-8,000	-10,000	-18,000
Revised Forecast (B)	345,000	-8,000	-12,500	-25,000
Change (B-A)	—	—	-2,500	-7,000
Rate of Change (%)	—	—	—	—
(Ref.) Previous Year Results (Year ended March 2008)	475,826	44,319	44,888	24,520

<Reasons for the Revisions>

DOWA announced revised consolidated earnings forecasts for FY2008 on January 20, 2009, in response to sudden changes in market conditions and demand trends in the second quarter and thereafter. In light of changes in business conditions that occurred in the subsequent period, DOWA once again revises its consolidated earnings forecasts for the fiscal year as set out below.

Since the previous revisions, sales volumes have stayed below DOWA's forecasts for products, centering on those for automobiles. However, DOWA expects consolidated net sales and the operating loss to reach levels forecast on the previous occasion, supported by a slight improvement in exchange rates and metal prices, as well as stronger measures for reducing personnel and other expenses.

Nevertheless, DOWA believes that the consolidated ordinary loss will increase by 2,500 million yen from its previous forecast, to 12,500 million yen, as a result of a higher equity method loss accounted for as non-operating expenses and the accrual of an exchange loss on accounts receivable denominated in foreign currencies, attributable to the appreciation of the yen.

DOWA also expects the consolidated net loss to expand by 7,000 million yen from its previous forecast to 25,000 million yen. This forecast reflects the posting of an extraordinary loss of about 8,000 million yen, in addition to the ordinary loss stated above, and a decrease in tax expenses of about 3,500 million yen.

Additional Posting of Extraordinary Loss

Major components of the extraordinary loss scheduled for additional posting are as follows:

- Costs of structural reforms required for operational withdrawals, plant consolidation, etc.: approximately 3,000 million yen
- Loss on devaluation of shares in affiliates and loss on goodwill impairment: approximately 2,700 million yen
- Loss on impairment and retirement of fixed assets that became idle or unnecessary as a result of production streamlining, etc.: approximately 1,300 million yen

2. Revision of non-consolidated earnings forecasts

Dowa has revised non-consolidated earnings forecasts for FY2008 (from April 1, 2008 to March 31, 2009), which were disclosed on January 20, 2009, as set out below.

Millions of yen

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	15,000	9,500	9,500	500
Revised Forecast (B)	15,000	9,500	9,500	1,500
Change (B-A)	—	—	—	1,000
Rate of Change (%)	—	—	—	200.0%
(Ref.) Previous Year Results (Year ended March 2008)	14,554	8,233	9,061	8,611

3. Dividend forecast for FY2008

The dividend forecast **10 yen per share** announced on January 20, 2009 has not been changed.

(Note) The results forecasts and other forward-looking statements included in this document are based on information available to DOWA as of the date of the announcement and certain assumptions that DOWA has judged to be reasonable. Actual results may differ materially from the statements in the document, due to various factors.