

DOWA

- Supplementary -

Fiscal 2009

Business Results

May 13, 2010

Dowa Holdings Co., Ltd.

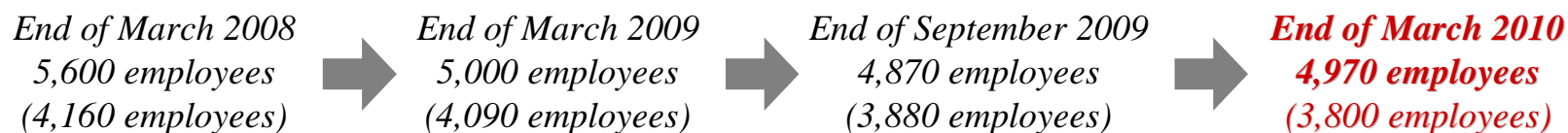
Operating Results and Progress of Structural Reform

■ Operating Results

Billion yen

	FY2008 Results			FY2009 Results			Change		
	H1	H2	Full Year	H1	H2	Full Year	H1	H2	Full year
Net Sales	215.1	131.7	346.8	129.6	177.8	307.4	(85.5)	46.1	(39.4)
Operating Income	11.6	(20.0)	(8.4)	5.3	8.4	13.7	(6.3)	28.4	22.1
Ordinary Income	11.3	(24.6)	(13.3)	4.8	9.0	13.8	(6.5)	33.6	27.1
Net Income	5.3	(33.4)	(28.1)	1.9	2.4	4.3	(3.4)	35.8	32.4

< Personnel plan (Entire Group) Employees of MAEH are excluded; numbers in parentheses are numbers of regular employees. Plan: 4,700 employees



< Cost reductions

	Annual Plan	Annual results
-Personnel expenses: Salary reductions, performance-related bonuses	¥6.0 billion/year	¥4.5 billion/year
-Cost-cutting: Reduction in commodities costs, revision of business trip regulations, etc.	¥1.0 billion/year	¥1.9 billion/year
-Operational improvement: Reductions in energy and repair expenses, etc.	¥3.0 billion/year	¥4.0 billion/year

Income Statements

Million yen

	FY2008			FY2009			Change		
	H1	H2	Full Year	H1	H2	Full Year	H1	H2	Full Year
Net Sales	215,193	131,691	346,885	129,602	177,860	307,462	(85,591)	46,168	(39,422)
Cost of Sales	189,949	139,391	329,340	112,039	156,699	268,738	(77,909)	17,308	(60,601)
(Of these, differences in market and book prices and loss on a lower cost basis)	8,330	15,140	23,470	(1,323)	1,403	80	(9,653)	(13,737)	(23,390)
Gross Profit	25,244	(7,699)	17,545	17,563	21,160	38,724	(7,681)	28,860	21,179
Selling, General, and Administrative Expenses	13,678	12,364	26,042	12,284	12,738	25,022	(1,393)	373	(1,020)
Operating Income	11,566	(20,064)	(8,497)	5,279	8,422	13,701	(6,287)	28,487	22,199
Other Income	2,351	1,683	4,034	2,242	3,145	5,388	(108)	1,462	1,353
Interest and dividend income	791	669	1,461	515	199	715	(275)	(469)	(745)
Equity in earnings of affiliates	80	(80)	0	355	1,212	1,568	275	1,293	1,568
Other income	1,478	1,094	2,573	1,370	1,733	3,103	(108)	638	530
Other Expenses	2,620	6,266	8,887	2,744	2,536	5,280	123	(3,730)	(3,606)
Interest expenses paid	1,188	1,331	2,520	1,477	1,338	2,815	288	6	294
Investment loss on equity method	0	1,836	1,836	0	0	0	0	(1,836)	(1,836)
Other expenses	1,431	3,098	4,530	1,267	1,198	2,465	(164)	(1,900)	(2,064)
Ordinary Income	11,297	(24,647)	(13,350)	4,777	9,032	13,809	(6,520)	33,679	27,159
Extraordinary Profits	131	252	383	167	224	391	35	(28)	7
Gain on sale of property, plant and equipment	14	9	24	57	41	98	43	31	74
Gain on sale of investment securities	15	5	20	0	6	6	(15)	1	(13)
Other profits	102	236	339	109	176	285	7	(60)	(53)
Extraordinary Losses	837	16,805	17,642	1,468	3,008	4,477	630	(13,796)	(13,165)
Loss on disposal of property, plant and equipment	350	529	880	282	772	1,054	(68)	243	174
Loss on valuation of investment securities	17	9,278	9,295	26	211	238	9	(9,066)	(9,057)
Impairment loss	157	2,132	2,290	183	667	851	26	(1,464)	(1,438)
Loss on liquidation of business, cost of structural reforms	0	4,166	4,166	655	833	1,488	655	(3,333)	(2,678)
Other	312	697	1,009	320	523	843	8	(174)	(165)
Income Before Income Taxes and Minority Interests	10,591	(41,200)	(30,608)	3,475	6,247	9,723	(7,115)	47,447	40,332
Income Taxes	4,688	(7,328)	(2,639)	1,375	2,962	4,338	(3,313)	10,291	6,978
Minority Interests in Income	614	(445)	168	220	805	1,025	(394)	1,251	856
Net Income	5,287	(33,426)	(28,138)	1,879	2,479	4,359	(3,408)	35,905	32,497

Analysis of Factors in Increase/Decrease in Ordinary Income

(Year-on-Year Comparison by Segment for Full Year)

Billion yen

FY2009 - FY2008	Environmental Management & Recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Other	Total
Effects of changes in exchange rate, metal prices, and mine purchase agreement		(0.4)					(0.4)
A gain or loss on raw material payments (including a gain or loss on hedging instruments and on a lower cost basis)	0.4	18.0		4.9			23.3
Actual sales difference (price difference)		(2.0)					(2.0)
Total effects of changes in exchange rate and metal market prices	0.4	15.6	0.0	4.9	0.0	0.0	20.9
Actual sales difference (volume difference)		1.9					1.9
Changes in orders associated with changes in business environment	(1.2)	(1.0)	(0.3)	1.3	(3.7)	(0.7)	(5.7)
Total changes due to changes in the business environment	(1.2)	0.9	(0.3)	1.3	(3.7)	(0.7)	(3.8)
Changes in depreciation	(1.9)	0.4	0.2	0.6	0.0	0.0	(0.7)
Equity method income or loss	0.7	2.0	0.1	0.1	0.0	0.4	3.3
Other (resale of unfinished products, etc.)	(0.3)	(1.3)	0.0	0.0	(0.4)	(0.9)	(3.0)
Subtotal	(2.4)	17.6	0.0	6.9	(4.1)	(1.3)	16.8
Productivity increases, cost reductions, etc.	0.5	3.5	1.2	2.5	2.7	0.0	10.4
Total	(1.9)	21.1	1.2	9.4	(1.4)	(1.3)	27.1

Consolidated Results: Year-on-Year Comparison

(by Segment for Full Year)

Billion yen

	FY2008 Results			FY2009 Results			Change		
	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income
Environmental Management & Recycling	69.7	4.9	4.3	64.8	2.1	2.3	(4.8)	(2.8)	(1.9)
Nonferrous Metals	173.6	(14.1)	(17.8)	155.5	3.0	3.3	(18.0)	17.1	21.1
Electronic Materials	50.8	3.7	3.6	50.2	4.8	4.9	(0.5)	1.0	1.2
Metal Processing	71.2	(5.7)	(5.5)	60.4	3.2	3.8	(10.8)	9.0	9.4
Heat Treatment	22.9	1.6	1.6	13.4	0.1	0.1	(9.4)	(1.4)	(1.4)
Other/ Elimination	(41.4)	1.1	0.5	(37.1)	0.3	(0.7)	4.2	(0.7)	(1.3)
Total	346.8	(8.4)	(13.3)	307.4	13.7	13.8	(39.4)	22.1	27.1

Major Products: Production Volume/ Treatment Volume Results

		FY2009 Results				
		Q1	Q2	Q3	Q4	Full Year
Environmental Management & Recycling	Waste processing volume	91	105	122	122	110
	Soil remediation volume at Hanaoka	89	61	77	74	75
Nonferrous Metals	Gold	201	134	161	223	180
	Silver	152	119	147	159	144
	Copper	66	102	100	114	95
	Zinc	119	33	118	105	94
Electronic Materials	Compound semiconductor	51	69	89	87	74
	LED	73	77	82	83	79
	Silver powder	105	155	191	221	168
Metal Processing	Copper strip products	52	75	95	86	77
Heat Treatment	Heat treatment	48	57	67	72	61

Indexes (100 for 1st half of FY 2008)

Fiscal 2010 Consolidated Earnings Forecasts

Billion yen

	FY2009 Results (A)	FY2010 Estimate (B)	Change (B)-(A)
Net Sales	307.4	340.0	32.5
Operating Income	13.7	18.0	4.2
Ordinary Income	13.8	18.0	4.1
Net Income	4.3	9.0	4.6

Assumed Conditions for Fiscal 2010 and Sensitivity

	FY2009		FY2010 estimate			(Reference) Nearest
	H1 Average	H2 Average	Assumed Conditions	Fluctuation	Sensitivity	April results
Exchange rate: (\/\$)	95.5	90.2	90.0	± 1 /\$	\250million	93.4
Copper: (\$/t)	5,260	6,940	6,500	± 100 \$/t	\40million	7,745
Zinc: (\$/t)	1,617	2,251	2,000	± 100 \$/t	\400million	2,367
Indium: (\$/kg)	332	480	450	± 100 \$/kg	\600million	617

Forecasts of Consolidated Results

Year-on-Year Comparison (by Segment)

Billion yen

	FY2009 Results			FY2010 Forecasts			Change		
	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income
Environmental Management & Recycling	64.8	2.1	2.3	76.0	3.0	2.7	11.1	0.8	0.3
Nonferrous Metals	155.5	3.0	3.3	170.0	3.0	3.6	14.4	0.0	0.2
Electronic Materials	50.2	4.8	4.9	55.0	5.8	6.2	4.7	0.9	1.2
Metal Processing	60.4	3.2	3.8	69.0	4.9	4.7	8.5	1.6	0.8
Heat Treatment	13.4	0.1	0.1	14.2	1.0	0.8	0.7	0.8	0.6
Other/ Elimination	(37.1)	0.3	(0.7)	(44.2)	0.3	0.0	(7.0)	(0.0)	0.7
Total	307.4	13.7	13.8	340.0	18.0	18.0	32.5	4.2	4.1