

Consolidated Financial Summary for the Second Quarter  
of the Fiscal Year Ending March 31, 2010 (Unaudited)



November 10 2009

**Company name:** Dowa Holdings Co., Ltd. URL: <http://www.dowa.co.jp/>  
**Exchange:** First Section of Tokyo Stock Exchange, First Section of Osaka Securities Exchange, First Section of Nagoya Stock Exchange,  
 Fukuoka Stock Exchange, and Sapporo Securities Exchange  
**Stock code:** 5714  
**Representative:** Masao Yamada, President and Representative Director

Scheduled date of submission: November 13, 2009  
 Scheduled date of commencement of dividend payments: —

1. Consolidated business results for the second quarter of the fiscal year ending March 31, 2010 (April 1, 2009 – September 30, 2009)  
 (Amounts less than one million yen, except for per share amounts, are omitted.)  
 (%: Change from the same period of the previous year)

(1) Consolidated financial results

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Quarter ended September 30, 2009	129,602	(39.8)	5,279	(54.4)	4,777	(57.7)	1,879	(64.5)
Quarter ended September 30, 2008	215,193	—	11,566	—	11,297	—	5,287	—

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Quarter ended September 30, 2009	6.48	6.16
Quarter ended September 30, 2008	17.67	16.82

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of September 30, 2009	335,412	107,634	30.6	354.42
As of March 31, 2009	343,208	103,830	28.7	339.93

(Reference) Shareholders' equity: As of September 30, 2009: 102,768 million yen As of March 31, 2009: 98,566 million yen

2. Dividends

(Record date)	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
Fiscal year ended March 31, 2009	Yen —	Yen —	Yen —	Yen 10.00	Yen 10.00
Fiscal year ending March 31, 2010	—	—	—	—	—
Fiscal year ending March 31, 2010 (forecast)	—	—	—	10.00	10.00

(Note) Revisions of expected dividends in the second quarter : None

3. Forecast consolidated results for the fiscal year ending March 31, 2010 (April 1, 2009 – March 31, 2010)

(%: Change from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full year	278,000	(19.9)	11,000	—	10,000	—	5,000	—	17.24

(Note) Revisions of estimated consolidated results in the second quarter: None

#### 4. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets (Unaudited)

(Millions of Yen)

	As of end of second quarter (September 30, 2009)	As of end of previous fiscal year (March 31, 2009)
<b>Assets</b>		
Current assets		
Cash and deposits	41,305	50,824
Notes and accounts receivable-trade	37,224	34,584
Merchandise and finished goods	16,869	16,715
Work in process	4,485	3,938
Raw materials and supplies	33,581	32,508
Deferred tax assets	3,892	2,678
Other	8,178	10,998
Allowance for doubtful accounts	(259)	(138)
<b>Total current assets</b>	<b>145,277</b>	<b>152,110</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	82,701	82,635
Accumulated depreciation	(43,909)	(42,802)
Buildings and structures, net	38,791	39,832
Machinery, equipment and vehicles	167,860	171,185
Accumulated depreciation	(135,087)	(134,565)
Machinery, equipment and vehicles, net	32,772	36,619
Land	22,555	22,760
Construction in progress	17,232	14,573
Other	11,615	11,518
Accumulated depreciation	(9,540)	(9,273)
Other, net	2,074	2,245
<b>Total property, plant and equipment</b>	<b>113,426</b>	<b>116,031</b>
Intangible assets		
Goodwill	7,168	7,174
Other	1,452	1,404
<b>Total intangible assets</b>	<b>8,621</b>	<b>8,578</b>
Investments and other assets		
Investment securities	54,659	48,966
Long-term loans receivable	267	23
Deferred tax assets	11,012	15,325
Other	2,424	2,378
Allowance for doubtful accounts	(276)	(204)
<b>Total investments and other assets</b>	<b>68,086</b>	<b>66,488</b>
<b>Total noncurrent assets</b>	<b>190,134</b>	<b>191,098</b>
<b>Total assets</b>	<b>335,412</b>	<b>343,208</b>

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	As of end of second quarter (September 30, 2009)	As of end of previous fiscal year (March 31, 2009)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	21,551	18,509
Short-term loans payable	66,631	72,192
Current portion of bonds	10,007	10,007
Income taxes payable	1,039	588
Accrued consumption taxes	1,495	559
Deferred tax liabilities	0	2
<b>Provision</b>		
Provision for bonuses	2,453	2,579
Provision for directors' bonuses	51	162
<b>Total provisions</b>	<b>2,505</b>	<b>2,742</b>
Other	19,923	17,354
<b>Total current liabilities</b>	<b>123,154</b>	<b>121,956</b>
<b>Noncurrent liabilities</b>		
Bonds payable	—	7
Long-term loans payable	86,017	98,289
Deferred tax liabilities	1,226	1,243
<b>Provision</b>		
Provision for retirement benefits	11,960	12,588
Provision for directors' retirement benef	680	651
Other provision	1,532	1,598
<b>Total provisions</b>	<b>14,173</b>	<b>14,839</b>
Other	3,205	3,042
<b>Total noncurrent liabilities</b>	<b>104,623</b>	<b>117,422</b>
<b>Total liabilities</b>	<b>227,778</b>	<b>239,378</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	36,436	36,436
Capital surplus	26,361	26,361
Retained earnings	40,311	41,262
Treasury stock	(5,618)	(5,618)
<b>Total shareholders' equity</b>	<b>97,491</b>	<b>98,442</b>
Valuation and translation adjustments		
Valuation difference on available-for-sa	7,601	4,238
Deferred gains or losses on hedges	(1,125)	(2,542)
Foreign currency translation adjustment	(1,198)	(1,571)
<b>Total valuation and translation adjustme</b>	<b>5,277</b>	<b>124</b>
Minority interests	4,865	5,263
<b>Total net assets</b>	<b>107,634</b>	<b>103,830</b>
<b>Total liabilities and net assets</b>	<b>335,412</b>	<b>343,208</b>

Note: Amounts less than one million yen are omitted.

**(2) Quarterly Consolidated Statements of Income (Unaudited)**

Second Quarter

(Millions of Yen)

	Second quarter of the previous fiscal year (From April 1, 2008 to September 30, 2008)	Second quarter of the current fiscal year (From April 1, 2009 to September 30, 2009)
Net sales	215,193	129,602
Cost of sales	189,949	112,039
Gross profit	25,244	17,563
Selling, general and administrative expenses		
Freightage related expenses	1,394	1,258
Sales commission	322	239
Directors' compensations	541	550
Salaries and allowances	2,384	2,270
Welfare expenses	691	690
Provision for bonuses	880	615
Retirement benefit expenses	205	139
Provision for directors' retirement benefits	86	96
Rent expenses	322	347
Taxes and dues	404	403
Traveling and transportation expenses	702	537
Depreciation	353	387
Development and research expenses	2,469	2,071
Amortization of goodwill	251	294
Other	2,668	2,381
Total selling, general and administrative expenses	13,678	12,284
Operating income	11,566	5,279
Non-operating income		
Interest income	251	137
Dividends income	540	378
Equity in earnings of affiliates	80	355
Other	1,478	1,370
Total non-operating income	2,351	2,242
Non-operating expenses		
Interest expenses	1,188	1,477
Foreign exchange losses	23	4
Other	1,408	1,262
Total non-operating expenses	2,620	2,744

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	Second quarter of the previous fiscal year (From April 1, 2008 to September 30, 2008)	Second quarter of the current fiscal year (From April 1, 2009 to September 30, 2009)
Ordinary income	11,297	4,777
Extraordinary income		
Gain on sales of noncurrent assets	14	57
Subsidy	32	6
Gain on sales of investment securities	15	—
Other	69	102
Total extraordinary income	131	167
Extraordinary loss		
Business structure improvement expenses	—	655
Loss on retirement of noncurrent assets	350	282
Impairment loss	157	183
Provision of allowance for doubtful accounts	—	171
Other	329	175
Total extraordinary losses	837	1,468
Income before income taxes and minority interest	10,591	3,475
Income taxes-current	2,801	824
Income taxes-deferred	1,887	551
Total income taxes	4,688	1,375
Minority interests in income	614	220
Net income	5,287	1,879

Note: Amounts less than one million yen are omitted.

**(3) Quarterly Consolidated Statements of Cash Flows (Unaudited)**

Second Quarter	(Millions of Yen)	
	Second quarter of the previous fiscal year (From April 1, 2008 to September 30, 2008)	Second quarter of the current fiscal year (From April 1, 2009 to September 30, 2009)
Net cash provided by (used in) operating		
Income before income taxes and minority	10,591	3,475
Depreciation and amortization	8,732	8,141
Impairment loss	157	183
Amortization of goodwill	251	294
Increase (decrease) in allowance for doubtful accounts	(22)	190
Increase (decrease) in other provision	(303)	(932)
Interest and dividends income	(791)	(515)
Interest expenses	1,188	1,477
Foreign exchange losses (gains)	37	4
Equity in (earnings) losses of affiliates	(80)	(355)
Loss (gain) on sales of noncurrent assets	(14)	(46)
Loss on retirement of noncurrent assets	350	282
Loss (gain) on sales of investment securities	(15)	—
Business structure improvement expenses	—	655
Decrease (increase) in notes and accounts receivable-trade	8,294	(2,652)
Decrease (increase) in inventories	2,960	(1,045)
Increase (decrease) in notes and accounts payable-trade	(13,120)	3,034
Increase (decrease) in accrued consumption	470	933
Other, net	(3,308)	226
Subtotal	15,378	13,350
Interest and dividends income received	827	636
Interest expenses paid	(1,161)	(1,606)
Income taxes (paid) refund	(13,195)	3,156
Net cash provided by (used in) operating activities	1,848	15,538

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	Second quarter of the previous fiscal year (From April 1, 2008 to September 30, 2008)	Second quarter of the current fiscal year (From April 1, 2009 to September 30, 2009)
<b>Net cash provided by (used in) investing</b>		
Decrease (increase) in time deposits	(109)	(42)
Purchase of property, plant and equipment	(12,602)	(3,455)
Proceeds from sales of property, plant and equipment	101	74
Purchase of investment securities	(3)	(32)
Proceeds from sales of investment securities	8	0
Purchase of stocks of subsidiaries and	(288)	(465)
Proceeds from sales of stocks of subsidiaries and affiliates	16	9
Payments of loans receivable	(28)	(695)
Collection of loans receivable	101	407
Other, net	(41)	(43)
Net cash provided by (used in) investing	(12,846)	(4,243)
<b>Net cash provided by (used in) financing</b>		
Net increase (decrease) in short-term loans payable	13,042	(8,420)
Proceeds from long-term loans payable	12,300	1,122
Repayment of long-term loans payable	(8,364)	(10,468)
Redemption of bonds	(7)	(7)
Purchase of treasury stock	(2)	(0)
Proceeds from sales of treasury stock	0	0
Cash dividends paid	(6,075)	(2,912)
Cash dividends paid to minority shareholders	(145)	(621)
Increase in lease obligations	—	649
Repayments of finance lease obligations	(120)	(161)
Net cash provided by (used in) financing	10,627	(20,820)
Effect of exchange rate change on cash and cash equivalents	(27)	(7)
Net increase (decrease) in cash and cash	(397)	(9,532)
Cash and cash equivalents at beginning of period	4,294	50,681
Increase in cash and cash equivalents from newly consolidated subsidiary	100	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(35)
Cash and cash equivalents at end of period	3,996	41,113

Note: Amounts less than one million yen are omitted.