

Consolidated Financial Summary  
for the years ended March 31, 2011 (Unaudited)



May 17 2011

**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 general meeting of stockholders: June 24, 2011  
Scheduled date of submission: June 24, 2011  
Scheduled date of commencement of dividend payments: June 27, 2011

1. Consolidated business results for the years ended March 31, 2011 (April 1, 2010 – March 31, 2011)

(Amounts less than one million yen, except for per share amounts, are omitted.)

(1) Consolidated financial results

(%: Change from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Years ended March 31, 2011	379,816	23.5	22,924	67.3	23,371	69.2	8,521	95.5
Years ended March 31, 2010	307,462	(11.4)	13,701	—	13,809	—	4,359	—

(Notes) Comprehensive income Years ended March 31, 2011 5,368 million yen (53.1) % Years ended March 31, 2010 11,436 million yen — %

	Net income per share	Net income per share (fully diluted)	Net Income on Shareholder's equity	Return on Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
Years ended March 31, 2011	28.80	—	8.0	7.0	6.0
Years ended March 31, 2010	14.96	—	4.3	4.1	4.5

(Reference) Gain on investment securities: Years ended March 31, 2011 1,228 million yen Years ended March 31, 2010 1,568 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of March 31, 2011	340,161	113,785	31.4	361.18
As of March 31, 2010	330,720	111,667	32.1	358.33

(Reference) Shareholders' equity: As of March 31, 2011 106,842 million yen As of March 31, 2010 106,003 million yen

(3) Consolidated Statements of Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Years ended March 31, 2011	23,955	(19,257)	(15,070)	16,741
Years ended March 31, 2010	25,011	(14,602)	(33,888)	27,115

2. Dividends

(Record date)	Dividends per share					Total Amount (Annual)	Dividend pay out (Consolidated)	Dividend Rate (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
Fiscal year ended March 31, 2010	—	—	—	10.00	10.00	3,005	66.8	2.9
Fiscal year ended March 31, 2011	—	—	—	10.00	10.00	3,005	34.7	2.8
Fiscal year ending March 31, 2012 (forecast)	—	—	—	10.00	10.00		29.6	

3. Forecast consolidated results for the fiscal year ending March 31, 2012 (April 1, 2011 – March 31, 2012)

(%: 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
First half	160,000	(11.6)	5,700	(59.4)	5,000	(65.7)	2,000	(73.6)	6.76
Full year	360,000	(5.2)	19,000	(17.1)	20,000	(14.4)	10,000	17.4	33.80

#### 4. Consolidated Financial Statements

##### (1) Consolidated Balance Sheets (Unaudited)

(Millions of Yen)

	As of end of previous fiscal year (March 31, 2010)	As of end of current fiscal year (March 31, 2011)
<b>Assets</b>		
Current assets		
Cash and deposits	27,390	17,231
Notes and accounts receivable-trade	50,954	55,484
Merchandise and finished goods	19,357	16,021
Work in process	3,558	3,980
Raw materials and supplies	33,815	59,790
Deferred tax assets	4,602	6,605
Other	9,287	8,755
Allowance for doubtful accounts	(267)	(416)
Total current assets	148,700	167,453
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	85,779	88,581
Accumulated depreciation	(45,376)	(47,535)
Buildings and structures, net	40,403	41,045
Machinery, equipment and vehicles	179,340	184,381
Accumulated depreciation	(141,490)	(150,614)
Machinery, equipment and vehicles, net	37,850	33,766
Land	22,228	22,275
Construction in progress	3,295	5,052
Other	11,302	11,756
Accumulated depreciation	(9,483)	(9,795)
Other, net	1,818	1,961
Total property, plant and equipment	105,597	104,101
Intangible assets		
Goodwill	7,038	6,506
Other	1,839	1,593
Total intangible assets	8,877	8,099
Investments and other assets		
Investment securities	56,424	52,315
Long-term loans receivable	383	223
Deferred tax assets	8,140	5,542
Other	2,856	2,629
Allowance for doubtful accounts	(260)	(204)
Total investments and other assets	67,544	60,506
Total noncurrent assets	182,020	172,708
Total assets	330,720	340,161

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	As of end of previous fiscal year (March 31, 2010)	As of end of current fiscal year (March 31, 2011)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	28,712	33,367
Short-term loans payable	65,724	54,290
Current portion of bonds	7	—
Income taxes payable	1,729	2,732
Accrued consumption taxes	3,352	2,156
Deferred tax liabilities	2	—
Provision		
Provision for bonuses	2,628	2,831
Provision for directors' bonuses	141	158
Total provisions	2,770	2,989
Other	14,350	28,695
Total current liabilities	116,648	124,232
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	73,639	73,829
Deferred tax liabilities	1,213	1,888
Provision		
Provision for retirement benefits	11,964	10,637
Provision for directors' retirement benefits	557	517
Other provision	1,842	537
Total provisions	14,364	11,691
Other	3,187	4,734
Total noncurrent liabilities	102,404	102,143
Total liabilities	219,053	226,376
<b>Net assets</b>		
Shareholders' equity		
Capital stock	36,437	36,437
Capital surplus	26,362	26,362
Retained earnings	42,791	48,152
Treasury stock	(5,759)	(5,763)
Total shareholders' equity	99,830	105,188
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,533	5,024
Deferred gains or losses on hedges	160	(865)
Foreign currency translation adjustment	(1,521)	(2,504)
Total accumulated other comprehensive income	6,173	1,654
Minority interests	5,663	6,942
Total net assets	111,667	113,785
Total liabilities and net assets	330,720	340,161

Note: Amounts less than one million yen are omitted.

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

(Millions of Yen)

	Previous fiscal year (From April 1, 2009 to March 31, 2010)	Current fiscal year (From April 1, 2010 to March 31, 2011)
Net sales	307,462	379,816
Cost of sales	268,738	330,380
Gross profit	38,724	49,436
Selling, general and administrative expenses		
Freightage related expenses	2,945	3,252
Sales commission	489	543
Directors' compensations	1,106	1,367
Salaries and allowances	4,972	5,181
Welfare expenses	1,361	1,466
Provision for bonuses	593	660
Retirement benefit expenses	372	428
Provision for directors' retirement benefits	186	180
Rent expenses	703	715
Taxes and dues	793	799
Traveling and transportation expenses	1,104	1,269
Depreciation	791	712
Development and research expenses	4,099	4,266
Amortization of goodwill	599	531
Other	4,904	5,135
Total selling, general and administrative expenses	25,022	26,511
Operating income	13,701	22,924
Non-operating income		
Interest income	212	129
Dividends income	503	609
Foreign exchange gains	65	312
Equity in earnings of affiliates	1,568	1,228
Rent income	315	309
Royalty income	—	529
Amortization of negative goodwill	485	—
Other	2,236	1,593
Total non-operating income	5,386	4,711
Non-operating expenses		
Interest expenses	2,815	2,242
Rent expenses on facilities	573	405
Other	1,890	1,616
Total non-operating expenses	5,279	4,264
Ordinary income	13,809	23,371

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	Previous fiscal year (From April 1, 2009 to March 31, 2010)	Current fiscal year (From April 1, 2010 to March 31, 2011)
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	98	96
Reversal of allowance for doubtful accounts	—	62
Compensation income	—	45
Subsidy	6	35
Gain on sales of investment securities	6	38
Insurance income	104	28
Other	174	66
<b>Total extraordinary income</b>	<b>391</b>	<b>372</b>
<b>Extraordinary loss</b>		
Loss on valuation of investment securities	238	2,007
Loss on disaster	—	1,714
Loss on revision of retirement benefit plan	—	981
Loss on retirement of noncurrent assets	1,054	942
Environmental expenses	413	197
Provision of allowance for doubtful accounts	153	168
Impairment loss	851	118
Loss on sales of noncurrent assets	6	2
Business structure improvement expenses	1,490	—
Other	268	392
<b>Total extraordinary losses</b>	<b>4,477</b>	<b>6,524</b>
Income before income taxes and minority interests	9,723	17,219
Income taxes-current	2,394	3,968
Income taxes-deferred	1,944	3,349
<b>Total income taxes</b>	<b>4,338</b>	<b>7,318</b>
Income before minority interests	5,385	9,900
Minority interests in income	1,025	1,379
<b>Net income</b>	<b>4,359</b>	<b>8,521</b>

Note: Amounts less than one million yen are omitted.

**(3) Consolidated Statement of Comprehensive Income (Unaudited)**

(Millions of Yen)

	Previous fiscal year (From April 1, 2009 to March 31, 2010)	Current fiscal year (From April 1, 2010 to March 31, 2011)
Income before minority interests	—	9,900
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(2,255)
Deferred gains or losses on hedges	—	(1,026)
Foreign currency translation adjustment	—	(596)
Share of other comprehensive income of associates accounted for using equity method	—	(653)
Total other comprehensive income	—	(4,532)
Comprehensive income	—	5,368
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	—	4,002
Comprehensive income attributable to minority interests	—	1,366

**(4) Consolidated Statements of Changes in Equity (Unaudited)**

(Millions of Yen)

	Previous fiscal year (From April 1, 2009 to March 31, 2010)	Current fiscal year (From April 1, 2010 to March 31, 2011)
<b>Shareholders' equity</b>		
Capital stock		
Balance at the end of previous period	36,436	36,437
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	0	—
Total changes of items during the period	0	—
Balance at the end of current period	36,437	36,437
Capital surplus		
Balance at the end of previous period	26,361	26,362
Changes of items during the period		
Disposal of treasury stock	0	0
Issuance of new shares-exercise of subscription rights to shares	(0)	—
Total changes of items during the period	0	0
Balance at the end of current period	26,362	26,362
Retained earnings		
Balance at the end of previous period	41,262	42,791
Changes of items during the period		
Dividends from surplus	(2,944)	(3,005)
Net income	4,359	8,521
Increase due to sale of treasury stock of affiliates	0	0
Change of scope of consolidation	238	(155)
Change of scope of equity method	(126)	—
Total changes of items during the period	1,528	5,361
Balance at the end of current period	42,791	48,152
Treasury stock		
Balance at the end of previous period	(5,618)	(5,759)
Changes of items during the period		
Purchase of treasury stock	(34)	(4)
Disposal of treasury stock	1	0
Change in equity in affiliates accounted for by equity method-treasury stock	(107)	—
Total changes of items during the period	(141)	(3)
Balance at the end of current period	(5,759)	(5,763)
Total shareholders' equity		
Balance at the end of previous period	98,442	99,830
Changes of items during the period		
Dividends from surplus	(2,944)	(3,005)
Net income	4,359	8,521
Purchase of treasury stock	(34)	(4)
Disposal of treasury stock	1	0
Issuance of new shares-exercise of subscription rights to shares	0	—
Change in equity in affiliates accounted for by equity method-treasury stock	(107)	—
Increase due to sale of treasury stock of affiliates	0	0
Change of scope of consolidation	238	(155)
Change of scope of equity method	(126)	—
Total changes of items during the period	1,388	5,357
Balance at the end of current period	99,830	105,188

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	Previous fiscal year (From April 1, 2009 to March 31, 2010)	Current fiscal year (From April 1, 2010 to March 31, 2011)
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	4,238	7,533
Changes of items during the period		
Net changes of items other than shareholders' equity	3,295	(2,509)
Total changes of items during the period	3,295	(2,509)
Balance at the end of current period	7,533	5,024
Deferred gains or losses on hedges		
Balance at the end of previous period	(2,542)	160
Changes of items during the period		
Net changes of items other than shareholders' equity	2,703	(1,026)
Total changes of items during the period	2,703	(1,026)
Balance at the end of current period	160	(865)
Foreign currency translation adjustment		
Balance at the end of previous period	(1,571)	(1,521)
Changes of items during the period		
Net changes of items other than shareholders' equity	50	(983)
Total changes of items during the period	50	(983)
Balance at the end of current period	(1,521)	(2,504)
Total accumulated other comprehensive income		
Balance at the end of previous period	124	6,173
Changes of items during the period		
Net changes of items other than shareholders' equity	6,049	(4,519)
Total changes of items during the period	6,049	(4,519)
Balance at the end of current period	6,173	1,654
Minority interests		
Balance at the end of previous period	5,263	5,663
Changes of items during the period		
Net changes of items other than shareholders' equity	400	1,279
Total changes of items during the period	400	1,279
Balance at the end of current period	5,663	6,942
Total net assets		
Balance at the end of previous period	103,830	111,667
Changes of items during the period		
Dividends from surplus	(2,944)	(3,005)
Net income	4,359	8,521
Purchase of treasury stock	(34)	(4)
Disposal of treasury stock	1	0
Issuance of new shares-exercise of subscription rights to shares	0	—
Change in equity in affiliates accounted for by equity method-treasury stock	(107)	—
Increase due to sale of treasury stock of affiliates	0	0
Change of scope of consolidation	238	(155)
Change of scope of equity method	(126)	—
Net changes of items other than shareholders' equity	6,449	(3,239)
Total changes of items during the period	7,837	2,117
Balance at the end of current period	111,667	113,785

Note: Amounts less than one million yen are omitted.

**(5) Consolidated Statements of Cash Flows (Unaudited)**

(Millions of Yen)

	Previous fiscal year (From April 1, 2009 to March 31, 2010)	Current fiscal year (From April 1, 2010 to March 31, 2011)
Net cash provided by (used in) operating activities		
Income before income taxes and minority	9,723	17,219
Depreciation and amortization	19,276	18,486
Impairment loss	851	118
Amortization of goodwill	599	531
Increase (decrease) in allowance for doubtful accounts	183	97
Increase (decrease) in other provision	(463)	(1,232)
Interest and dividends income	(715)	(739)
Interest expenses	2,815	2,242
Foreign exchange losses (gains)	8	(1)
Equity in (earnings) losses of affiliates	(1,568)	(1,228)
Loss (gain) on sales of noncurrent assets	(92)	(94)
Loss on retirement of noncurrent assets	1,054	942
Loss (gain) on sales of investment securities	(6)	(38)
Loss (gain) on valuation of investment securities	238	2,007
Business structure improvement expenses	1,490	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	80
Decrease (increase) in notes and accounts receivable-trade	(16,256)	(4,569)
Decrease (increase) in inventories	(3,491)	(23,054)
Increase (decrease) in notes and accounts payable-trade	10,186	4,670
Increase (decrease) in accrued consumption taxes	2,790	(1,245)
Other, net	(2,790)	13,708
Subtotal	23,833	27,900
Interest and dividends income received	1,976	1,041
Interest expenses paid	(2,952)	(2,235)
Income taxes (paid) refund	2,153	(2,750)
Net cash provided by (used in) operating	25,011	23,955

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	Previous fiscal year (From April 1, 2009 to March 31, 2010)	Current fiscal year (From April 1, 2010 to March 31, 2011)
<b>Net cash provided by (used in) investing activities</b>		
Purchase of property, plant and equipment	(10,062)	(17,307)
Proceeds from sales of property, plant and equipment	114	86
Purchase of investment securities	(61)	(6)
Proceeds from sales of investment securities	8	55
Purchase of stocks of subsidiaries and affiliates	(2,616)	(1,625)
Proceeds from sales of stocks of subsidiaries and affiliates	9	—
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(576)	—
Payments of loans receivable	(1,623)	(1,172)
Collection of loans receivable	595	983
Other, net	(391)	(272)
Net cash provided by (used in) investing activities	(14,602)	(19,257)
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans	(11,514)	(9,162)
Proceeds from long-term loans payable	1,430	23,220
Repayment of long-term loans payable	(20,989)	(25,582)
Redemption of bonds	(10,007)	(7)
Proceeds from issuance of bonds	10,000	—
Proceeds from issuance of stock resulting from exercise of subscription rights to shares	0	—
Proceeds from stock issuance to minority shareholders	—	62
Purchase of treasury stock	(34)	(4)
Proceeds from sales of treasury stock	1	0
Cash dividends paid	(2,917)	(3,007)
Cash dividends paid to minority shareholders	(626)	(149)
Increase in lease obligations	1,118	—
Proceeds from sale and leaseback	—	4
Repayments of lease obligations	(349)	(444)
Net cash provided by (used in) financing	(33,888)	(15,070)
Effect of exchange rate change on cash and cash equivalents	(51)	(165)
Net increase (decrease) in cash and cash equivalents	(23,531)	(10,537)
Cash and cash equivalents at beginning of period	50,681	27,115
Increase in cash and cash equivalents from newly consolidated subsidiary	—	164
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(35)	—
Cash and cash equivalents at end of period	27,115	16,741

Note: Amounts less than one million yen are omitted.

## 5. Segment Information

Segment information by business type as of March 31, 2010 and 2011 is summarized as follows :  
(Amounts less than one million yen are omitted.)

Fiscal year ended March 31, 2010

Millions of Yen

	Environmenta Management & recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Others	Total	Elimination: & Company- wide	Consolidated
Net sales									
(1) Outside customers	45,078	137,129	48,705	60,384	13,489	2,675	307,462	—	307,462
(2) Intersegment	19,818	18,469	1,524	30	0	7,288	47,131	(47,131)	—
Total	64,897	155,599	50,229	60,415	13,489	9,963	354,594	(47,131)	307,462
Segment income (note 2)	2,103	3,008	4,812	3,288	146	136	13,495	206	13,701
Segment Assets	60,440	109,749	29,618	48,917	21,100	5,577	275,404	55,316	330,720
Other items									
Depreciation	4,711	7,102	2,105	3,205	1,578	186	18,888	388	19,276
Amortization of goodwill	599	—	—	—	—	—	599	—	599
Investments in affiliate accounted for by equity method	2,127	5,659	252	905	—	—	8,945	16,210	25,155
Increase in property, plan and equipment and intangible assets	2,693	5,602	785	667	597	26	10,371	391	10,763

Fiscal year ended March 31, 2011

Millions of Yen

	Environmenta Management & recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Others	Total	Elimination: & Company- wide	Consolidated
Net sales									
(1) Outside customers	49,678	166,922	68,254	75,793	16,919	2,248	379,816	—	379,816
(2) Intersegment	30,020	21,887	2,272	37	0	9,171	63,390	(63,390)	—
Total	79,699	188,809	70,526	75,830	16,919	11,420	443,206	(63,390)	379,816
Segment income (note 2)	2,802	5,170	7,144	5,424	1,417	317	22,276	647	22,924
Segment Assets	62,978	123,699	47,985	50,323	21,683	5,669	312,340	27,820	340,161
Other items									
Depreciation	5,179	6,590	2,028	2,628	1,573	136	18,137	349	18,486
Amortization of goodwill	531	—	—	—	—	—	531	—	531
Investments in affiliate accounted for by equity method	2,165	6,414	216	892	—	—	9,689	15,739	25,429
Increase in property, plan and equipment and intangible assets	6,301	5,110	3,515	1,190	1,505	146	17,769	51	17,820

(Note 1) The classification of businesses for the segment information by business type is based on the classification adopted by the internal management system.

- (1) Environmental Management & Recycling : Waste treatment, soil remediation, metal recycling, and freight transport
- (2) Nonferrous Metals : Production and sale of copper, zinc, lead, gold, silver, platinum, palladium, rhodium, cadmium, bismuth and sulfuric acid
- (3) Electronic Materials : Magnetic materials, semiconductor materials, inorganic materials, chemical products
- (4) Metal Processing : Copper strips, brass strips, copper alloy strips, brass bars, and precision processed products
- (5) Heat Treatment : Heat treatment, surface treatment, and surface modification treatment, and the design, manufacture, sale and maintenance of facilities for heat treatment
- (6) Others : Construction, rental business and others

(Note 2) Segment income is based on operating income