

Consolidated Financial Summary for the First Quarter
of the Fiscal Year Ending March 31, 2012 (Unaudited) (Japan Basis)



August 08 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 submission: August 12, 2011
 Scheduled date of commencement of dividend payments: —

1. Consolidated business results for the first quarter of the fiscal year ending March 31, 2012 (April 1, 2011 – June 30, 2011)
 (Amounts less than one million yen, except for per share amounts, are omitted.)

(1) Consolidated financial results (%: Change from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Quarter ended June 30, 2011	93,270	(1.4)	4,891	(51.5)	3,928	(63.1)	1,347	(79.3)
Quarter ended June 30, 2010	94,603	49.8	10,081	135.0	10,632	201.1	6,522	299.3

(Notes) Comprehensive income: Quarter ended June 30, 2011: 2,162 million yen (63.7) %; Quarter ended June 30, 2010: 5,962 million yen — %

	Net income per share	Net income per share (fully diluted)
	Yen	Yen
Quarter ended June 30, 2011	4.56	—
Quarter ended June 30, 2010	22.05	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
As of June 30, 2011	325,562	113,304	32.5
As of March 31, 2011	340,161	113,785	31.4

(Reference) Shareholders' equity: As of June 30, 2011: 105,872 million yen; As of March 31, 2011: 106,842 million yen

2. Dividends

(Record date)	Annual Dividends				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2011	—	—	—	10.00	10.00
Fiscal year ending March 31, 2012	—	—	—	—	—
Fiscal year ending March 31, 2012 (forecast)	—	—	—	10.00	10.00

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

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

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

4. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets (Unaudited)

First Quarter

(Millions of Yen)

	As of end of previous fiscal year (March 31, 2011)	As of end of First quarter (June 30, 2011)
Assets		
Current assets		
Cash and deposits	17,231	9,796
Notes and accounts receivable-trade	55,484	48,565
Merchandise and finished goods	16,021	25,379
Work in process	3,980	4,967
Raw materials and supplies	59,790	52,572
Deferred tax assets	6,605	6,025
Other	8,755	9,062
Allowance for doubtful accounts	(416)	(95)
Total current assets	167,453	156,272
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	88,581	89,501
Accumulated depreciation	(47,535)	(48,433)
Buildings and structures, net	41,045	41,067
Machinery, equipment and vehicles	184,381	186,711
Accumulated depreciation	(150,614)	(153,423)
Machinery, equipment and vehicles, net	33,766	33,287
Land	22,275	22,300
Construction in progress	5,052	5,617
Other	11,756	12,096
Accumulated depreciation	(9,795)	(10,004)
Other, net	1,961	2,091
Total property, plant and equipment	104,101	104,365
Intangible assets		
Goodwill	6,506	6,381
Other	1,593	1,853
Total intangible assets	8,099	8,235
Investments and other assets		
Investment securities	52,315	48,576
Long-term loans receivable	223	268
Deferred tax assets	5,542	5,429
Other	2,629	2,540
Allowance for doubtful accounts	(204)	(126)
Total investments and other assets	60,506	56,688
Total noncurrent assets	172,708	169,289
Total assets	340,161	325,562

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	As of end of previous fiscal year (March 31, 2011)	As of end of First quarter (June 30, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	33,367	31,710
Short-term loans payable	54,290	52,710
Income taxes payable	2,732	834
Accrued consumption taxes	2,156	583
Provision		
Provision for bonuses	2,831	1,499
Provision for directors' bonuses	158	3
Total provisions	2,989	1,503
Other	28,695	26,857
Total current liabilities	124,232	114,199
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	73,829	68,578
Deferred tax liabilities	1,888	2,315
Provision		
Provision for retirement benefits	10,637	10,737
Provision for directors' retirement benefits	517	501
Other provision	537	509
Total provisions	11,691	11,748
Other	4,734	5,416
Total noncurrent liabilities	102,143	98,058
Total liabilities	226,376	212,258
Net assets		
Shareholders' equity		
Capital stock	36,437	36,437
Capital surplus	26,362	26,362
Retained earnings	48,152	46,494
Treasury stock	(5,763)	(5,764)
Total shareholders' equity	105,188	103,529
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,024	3,878
Deferred gains or losses on hedges	(865)	591
Foreign currency translation adjustment	(2,504)	(2,127)
Total accumulated other comprehensive income	1,654	2,343
Minority interests	6,942	7,431
Total net assets	113,785	113,304
Total liabilities and net assets	340,161	325,562

Note: Amounts less than one million yen are omitted.

(2) Quarterly Consolidated Statements of Income (Unaudited)

First Quarter

(Millions of Yen)

	First quarter of the previous fiscal year (From April 1, 2010 to June 30, 2010)	First quarter of the current fiscal year (From April 1, 2011 to June 30, 2011)
Net sales	94,603	93,270
Cost of sales	77,859	81,682
Gross profit	16,743	11,587
Selling, general and administrative expenses		
Freightage related expenses	794	684
Sales commission	137	117
Directors' compensations	374	375
Salaries and allowances	1,108	1,180
Welfare expenses	391	394
Provision for bonuses	421	433
Retirement benefit expenses	106	107
Provision for directors' retirement benefits	48	42
Rent expenses	180	180
Taxes and dues	240	225
Traveling and transportation expenses	317	313
Depreciation	171	172
Development and research expenses	1,057	1,114
Amortization of goodwill	132	125
Other	1,180	1,227
Total selling, general and administrative expenses	6,662	6,696
Operating income	10,081	4,891
Non-operating income		
Interest income	35	29
Dividends income	379	323
Equity in earnings of affiliates	725	—
Other	505	559
Total non-operating income	1,646	911
Non-operating expenses		
Interest expenses	596	510
Foreign exchange losses	4	105
Equity in losses of affiliates	—	911
Other	494	347
Total non-operating expenses	1,095	1,874
Ordinary income	10,632	3,928

Note: Amounts less than one million yen are omitted.

(Millions of Yen)

	First quarter of the previous fiscal year (From April 1, 2010 to June 30, 2010)	First quarter of the current fiscal year (From April 1, 2011 to June 30, 2011)
Extraordinary income		
Subsidy	—	342
Gain on sales of noncurrent assets	3	6
Gain on sales of investment securities	38	—
Reversal of allowance for doubtful accounts	32	—
Other	11	42
Total extraordinary income	86	391
Extraordinary loss		
Loss on disaster	—	607
Loss on retirement of noncurrent assets	53	166
Impairment loss	—	25
Environmental expenses	—	12
Loss on sales of noncurrent assets	—	3
Loss on adjustment for changes of accounting standard for asset retirement obligations	80	—
Loss on valuation of investment securities	14	—
Provision of allowance for doubtful accounts	4	—
Other	83	269
Total extraordinary losses	235	1,084
Income before income taxes and minority interests	10,483	3,235
Income taxes-current	1,232	631
Income taxes-deferred	1,940	1,131
Total income taxes	3,172	1,763
Income before minority interests	7,310	1,471
Minority interests in income	787	123
Net income	6,522	1,347

Note: Amounts less than one million yen are omitted.

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

First Quarter

(Millions of Yen)

	First quarter of the previous fiscal year (From April 1, 2010 to June 30, 2010)	First quarter of the current fiscal year (From April 1, 2011 to June 30, 2011)
Income before minority interests	7,310	1,471
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,704)	(1,191)
Deferred gains or losses on hedges	(142)	1,457
Foreign currency translation adjustment	(25)	37
Share of other comprehensive income of associates accounted for using equity method	524	387
Total other comprehensive income	(1,348)	691
Comprehensive income	5,962	2,162
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,177	2,036
Comprehensive income attributable to minority interests	784	126

5. Segment Information

Segment information by business type as of June 30, 2011 and 2010 is summarized as follows :
(Amounts less than one million yen and one thousand USD are omitted.)

First quarter of the current fiscal year (From April 1, 2011 to June 30, 2011)

Millions of Yen

	Reporting Segments						Others	Total	Eliminations & Company- wide	Consolidated
	Environmental Management & recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Sub Total				
Net sales										
(1) Outside customers	13,147	33,013	23,740	18,858	4,295	93,056	214	93,270	-	93,270
(2) Intersegment	8,883	3,827	1,045	11	0	13,768	1,564	15,332	(15,332)	-
Total	22,030	36,841	24,786	18,870	4,295	106,824	1,779	108,603	(15,332)	93,270
Segment income (loss) (note 2)	958	1,172	1,553	808	250	4,744	(32)	4,711	179	4,891

First quarter of the previous fiscal year (From April 1, 2010 to June 30, 2010)

Millions of Yen

	Reporting Segments						Others	Total	Eliminations & Company- wide	Consolidated
	Environmental Management & recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Sub Total				
Net sales										
(1) Outside customers	11,254	43,026	17,032	19,166	3,715	94,195	408	94,603	-	94,603
(2) Intersegment	6,866	6,778	453	11	0	14,109	2,052	16,162	(16,162)	-
Total	18,120	49,804	17,485	19,178	3,715	108,304	2,461	110,765	(16,162)	94,603
Segment income (note 2)	730	4,902	2,062	1,924	270	9,890	79	9,969	111	10,081

First quarter of the current fiscal year (From April 1, 2011 to June 30, 2011)

Thousands of USD (Note3)

	Reporting Segments						Others	Total	Eliminations & Company- wide	Consolidated
	Environmental Management & recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Sub Total				
Net sales										
(1) Outside customers	162,856	408,940	294,077	233,600	53,208	1,152,683	2,656	1,155,339	-	1,155,339
(2) Intersegment	110,037	47,413	12,950	144	1	170,546	19,382	189,929	(189,929)	-
Total	272,894	456,353	307,027	233,744	53,209	1,323,229	22,039	1,345,269	(189,929)	1,155,339
Segment income (loss) (note 2)	11,875	14,523	19,247	10,012	3,108	58,767	(404)	58,363	2,227	60,590

(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 acids
- (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.

(Note 3) Converted at ¥80.73=US\$1, the prevailing exchange rate as of June 30, 2011 is used.