

DOWA

***Fiscal 2010 First Quarter
Supplementary Information***

July 30, 2010

Dowa Holdings Co., Ltd.

Summary of Fiscal 2010 First Quarter

■ Effect of metal prices and exchange rates

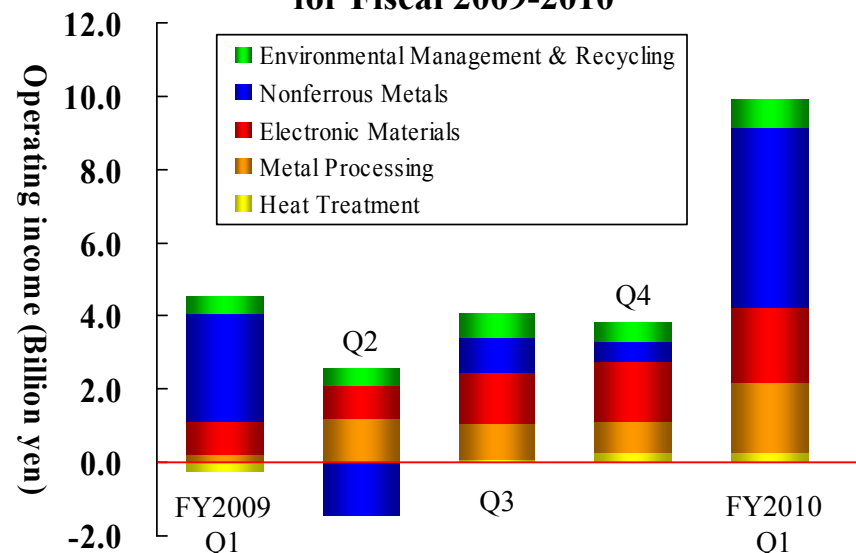
	FY2009 Q4 Results	FY2010 Q1 Results	FY2010 Assumptions
¥/\$	90.7	92.0	90.0
Copper \$/t	7,230	7,030	6,500
Zinc \$/t	2,290	2,020	2,000
Indium \$/kg	520	560	450

- ◆ *Metal prices and exchange rates generally remained above the preconditions.*
- ◆ *The effect of temporary factors such as the increase in the actual sales difference is +2.5 billion yen.*

■ Market condition

- ◆ *Strong sales of electronics and related products, particularly semiconductors. Growth is led by silver powder for solar batteries.*
- ◆ *The waste market is recovering. The environment for soil remediation remains harsh, given the delayed recovery of the domestic construction market.*
- ◆ *Demand for construction machinery and machine tools is trending upward, backed by increasing demand in emerging countries.*
- ◆ *In the auto market, growing overseas production, particularly in Asia. Domestic production is exceeding expectations.*

Changes in Quarterly Operating Income for Fiscal 2009-2010



Major Products: Production Volume/ Treatment Volume Results

		FY2009				FY2010
		Q1	Q2	Q3	Q4	Q1
Environmental Management & Recycling	Waste processing volume	91	105	122	122	120
	Soil remediation volume at Hanaoka	89	61	77	74	41
Nonferrous Metals	Gold	200	131	159	227	170
	Silver	129	94	113	119	121
	Copper	77	77	90	100	94
	Zinc	99	102	109	92	96
Electronic Materials	Compound semiconductor	45	58	83	86	96
	LED	77	83	87	94	116
	Silver powder	102	149	168	175	193
Metal Processing	Copper strip products	58	81	94	95	89
Heat Treatment	Heat treatment	47	56	68	71	72

Indexes (100 for 1st half of FY 2008)

Income Statements

Million yen

	FY2009 Q1	FY2010 Q1	Change
Net Sales	63,139	94,603	31,463
Cost of Sales	52,634	77,859	25,225
Gross Profit	10,505	16,743	6,238
Selling, General, and Administrative Expenses	6,214	6,662	447
Operating Income	4,290	10,081	5,791
Other Income	1,095	1,646	550
Interest and dividend income	439	415	(23)
Equity in earnings of affiliates	0	725	725
Other income	656	505	(150)
Other Expenses	1,854	1,095	(759)
Interest expenses paid	767	596	(171)
Investment loss on equity method	219	0	(219)
Other expenses	868	499	(368)
Ordinary Income	3,530	10,632	7,101
Extraordinary Profits	75	86	10
Gain on sale of property, plant and equipment	42	0	(42)
Gain on sale of investment securities	0	38	38
Other profits	32	47	14
Extraordinary Losses	461	235	(225)
Loss on disposal of property, plant and equipment	129	53	(76)
Loss on valuation of investment securities	17	0	(17)
Impairment loss	0	0	0
Loss on liquidation of business, cost of structural reforms	184	0	(184)
Other losses	129	182	52
Income Before Income Taxes and Minority Interests	3,145	10,483	7,338
Income Taxes	1,332	3,172	1,839
Minority Interests in Income	178	787	609
Net Income	1,633	6,522	4,889

Consolidated Results

(Year-on-Year Comparison by Segment for 1st Quarter)

Billion yen

	FY2009 Q1 Results			FY2010 Q1 Results			Change		
	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income
Environmental Management & Recycling	13.3	0.4	0.3	18.1	0.7	0.8	4.8	0.2	0.4
Nonferrous Metals	34.9	2.9	2.7	49.8	4.9	5.6	14.8	1.9	2.9
Electronic Materials	9.9	0.8	0.8	17.4	2.0	2.1	7.5	1.1	1.2
Metal Processing	9.4	0.2	0.3	19.1	1.9	1.8	9.6	1.6	1.5
Heat Treatment	2.9	(0.2)	(0.2)	3.7	0.2	0.2	0.7	0.5	0.5
Other/ Elimination	(7.5)	0.0	(0.5)	(13.6)	0.1	(0.0)	(6.1)	0.1	0.4
Total	63.1	4.2	3.5	94.6	10.0	10.6	31.4	5.7	7.1

Analysis of Factors in Growth and Decline in Ordinary Income

(Year-on-Year Comparison by Segment for 1st Quarter)

Billion yen

FY2010 Q1 - FY2009 Q1	Environmental Management & Recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Other	Total
FY2009 Q1 Ordinary Income	0.3	2.7	0.8	0.3	(0.2)	(0.5)	3.5
FY2010 Q1 Ordinary Income	0.8	5.6	2.1	1.8	0.2	(0.1)	10.6
Change	0.4	2.9	1.2	1.5	0.5	0.4	7.1
Effects of changes in exchange rate, metal prices, and mine purchase agreement		0.7					0.7
A gain or loss on raw material payments (including a gain or loss on hedging instruments and on a lower cost basis)		(1.7)		(0.1)			(1.8)
Actual sales difference (price difference)		1.5					1.5
Total effects from fluctuations in exchange rate and metal market prices	0.0	0.5	0.0	(0.1)	0.0	0.0	0.4
Actual sales difference (volume difference)		1.0					1.0
Changes in orders associated with changes in business environment	1.2	(0.2)	1.3	1.8	0.7	0.0	4.9
Effect of change in demand and quantities; total	1.2	0.8	1.3	1.8	0.7	0.0	5.8
Changes in depreciation	(0.4)	0.0	0.1	0.1	(0.0)	0.0	(0.2)
Equity method income or loss	0.1	0.8	(0.0)	0.0	0.0	0.0	0.9
Other	(0.4)	0.9	(0.2)	(0.3)	(0.2)	0.4	0.1
Total of other factors	(0.7)	1.6	(0.1)	(0.2)	(0.2)	0.4	0.9
Total change	0.4	2.9	1.2	1.5	0.5	0.4	7.1