

DOWA

Fiscal 2010

Business Results

May 18, 2011

Dowa Holdings Co., Ltd.

* Forward-looking statements made in this document, such as business forecasts, are based on the information available at this time and on certain premises that the Company assumes to be reasonable. Actual performance may differ materially from such forecasts due to a variety of factors.

Operating Results

Fiscal 2010

Overview of Operating Results

Billion yen

	FY2009 Results			FY2010 Results			Change		
	H1	H2	Full Year	H1	H2	Full Year	H1	H2	Full year
Net Sales	129.6	177.8	307.4	181.0	198.7	379.8	51.4	20.9	72.3
Operating Income	5.3	8.4	13.7	14.0	8.8	22.9	8.7	0.4	9.2
Ordinary Income	4.8	9.0	13.8	14.5	8.7	23.3	9.8	(0.2)	9.5
Net Income	1.9	2.4	4.3	7.5	0.9	8.5	5.6	(1.5)	4.1

- An increase in sales and income from the previous fiscal year was achieved. Net sales were up 24%, to 379.8 billion yen, ordinary income rose 69%, to 23.3 billion yen, and net income nearly doubled, to 8.5 billion yen.
- In the first half, income jumped considerably after rallying demand in the IT-related and automobile sectors.
- In the second half, ordinary income remained equivalent to the level a year earlier. Despite some factors adverse to earnings such as the Great East Japan Earthquake and reduced production of Akita Zinc, demand stayed bullish tone.
- The adverse impact of the earthquake on income before taxes was 3.6 billion yen. In addition to 1.9 billion yen worth of impact on ordinary income due to a sales decline and a loss suffered by equity method affiliate Onahama Smelting & Refining, an extraordinary loss of 1.7 billion yen was posted in the wake of the disaster by transferring fixed costs during the period of non-operation of the equipment.

Major Products: Production Volume/ Sales Volume Results

			FY2010 Results				
			Q1	Q2	Q3	Q4	Full Year
	Environmental Management & Recycling	Waste processing volume	109	107	116	107	110
		Soil remediation volume at Hanaoka	54	47	94	75	68
		Home electric appliance recycling volume	133	154	172	146	151
	Nonferrous Metals	Copper production amount (Kosaka, Onahama)	117	111	102	92	106
		Zinc production amount (Akita)	140	80	112	96	107
	Electronic Materials	Compound semiconductor	141	145	139	113	134
		LED	135	136	143	139	138
		Silver powder	130	147	148	131	139
	Metal Processing	Copper strip products	109	103	101	105	104
	Heat Treatment	Heat treatment	118	125	131	126	125

Indexes (100 for average of FY 2009)

Income Statements

Million yen

	FY2009			FY2010			Change		
	H1	H2	Full Year	H1	H2	Full Year	H1	H2	Full Year
Net Sales	129,602	177,860	307,462	181,049	198,766	379,816	51,447	20,906	72,353
Cost of Sales	112,039	156,699	268,738	153,785	176,594	330,380	41,746	19,895	61,641
Gross Profit	17,563	21,160	38,724	27,264	22,171	49,436	9,700	1,011	10,711
Selling, General, and Administrative Expenses	12,284	12,738	25,022	13,227	13,284	26,511	943	546	1,489
Operating Income	5,279	8,422	13,701	14,036	8,887	22,924	8,757	464	9,222
Other Income	2,242	3,144	5,386	2,799	1,922	4,722	557	(1,221)	(664)
Interest and dividend income	515	199	715	454	284	739	(61)	84	23
Equity in earnings of affiliates	355	1,212	1,568	1,311	(82)	1,228	955	(1,295)	(339)
Other income	1,370	1,731	3,102	1,033	1,720	2,754	(336)	(10)	(347)
Other Expenses	2,744	2,534	5,279	2,257	2,017	4,275	(486)	(517)	(1,003)
Interest expenses paid	1,477	1,338	2,815	1,157	1,085	2,242	(319)	(252)	(572)
Other expenses	1,267	1,196	2,463	1,100	931	2,032	(166)	(264)	(431)
Ordinary Income	4,777	9,032	13,809	14,578	8,793	23,371	9,801	(239)	9,561
Extraordinary Profits	167	224	391	124	254	378	(42)	30	(12)
Gain on sale of property, plant and equipment	57	41	98	10	86	96	(47)	45	(1)
Gain on sale of investment securities	0	6	6	38	0	38	38	(6)	31
Other profits	109	176	285	75	168	243	(34)	(8)	(42)
Extraordinary Losses	1,468	3,008	4,477	1,676	4,854	6,530	208	1,845	2,053
Loss on disposal of property, plant and equipment	282	772	1,054	145	778	923	(136)	5	(130)
Loss on valuation of investment securities	26	211	238	1,107	900	2,007	1,081	688	1,769
Impairment loss	183	667	851	59	59	118	(124)	(608)	(732)
Loss on liquidation of business, cost of structural reforms	655	835	1,490	0	0	0	(655)	(835)	(1,490)
Loss on revision of retirement benefit plan	0	0	0	0	981	981	0	981	981
Loss on disaster	0	0	0	0	1,714	1,714	0	1,714	1,714
Other	320	521	841	363	420	784	43	(100)	(57)
Income Before Income Taxes and Minority Interests	3,475	6,247	9,723	13,026	4,192	17,219	9,550	(2,054)	7,495
Income Taxes	1,375	2,962	4,338	4,361	2,956	7,318	2,986	(6)	2,979
Minority Interests in Income	220	805	1,025	1,094	285	1,379	873	(519)	353
Net Income	1,879	2,479	4,359	7,570	951	8,521	5,690	(1,528)	4,162

Consolidated Results: Year-on-Year Comparison

(by Segment for Full Year)

Billion yen

	FY2009 Results			FY2010 Results			Change			Breakdown of Sales and Operating Income																																																																											
	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	79.7	2.8	2.8	14.8	0.7	0.5	Solid collection of home electric appliances and electronic components enabled the recycling business to enjoy a sales rise of 15.6 billion yen, with profit increasing 1.4 billion yen. In the intermediate waste treatment business, an income decline of 0.6 billion yen was posted because of higher depreciation costs (0.6 billion yen), despite a sales rise of 1.4 billion yen achieved with the introduction of a new furnace at Eco-System Chiba and other efforts to increase collection and treatment volumes.																																																																											
Nonferrous Metals	155.5	3.0	3.3	188.8	5.1	6.2	33.2	2.1	2.9	<table><tr><th colspan="7">Ratio of operating income to that of previous term</th><th colspan="2">Billion yen</th></tr><tr><th></th><th>Difference in volume</th><th>Currency exchange and conditions</th><th>Differences in market and book prices</th><th>Unfinished products</th><th>Other</th><th>Total</th><th colspan="4"></th></tr><tr><td>Copper</td><td>(0.2)</td><td>(0.4)</td><td>0.3</td><td>1.1</td><td>1.2</td><td>2.0</td><td colspan="4"></td></tr><tr><td>Rare metals</td><td>1.8</td><td></td><td></td><td></td><td></td><td>1.8</td><td colspan="4"></td></tr><tr><td>Zinc</td><td>0.3</td><td>0.5</td><td>(0.7)</td><td></td><td>(2.0)</td><td>(2.0)</td><td colspan="4"></td></tr><tr><td>Other</td><td></td><td></td><td></td><td></td><td>0.3</td><td>0.3</td><td colspan="4"></td></tr><tr><td>Operating income</td><td>1.9</td><td>0.1</td><td>(0.5)</td><td>1.1</td><td>(0.5)</td><td>2.1</td><td colspan="4"></td></tr></table>	Ratio of operating income to that of previous term							Billion yen			Difference in volume	Currency exchange and conditions	Differences in market and book prices	Unfinished products	Other	Total					Copper	(0.2)	(0.4)	0.3	1.1	1.2	2.0					Rare metals	1.8					1.8					Zinc	0.3	0.5	(0.7)		(2.0)	(2.0)					Other					0.3	0.3					Operating income	1.9	0.1	(0.5)	1.1	(0.5)	2.1				
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Operating income	1.9	0.1	(0.5)	1.1	(0.5)	2.1																																																																															
Electronic Materials	50.2	4.8	4.9	70.5	7.1	7.4	20.2	2.3	2.4	Sales and income rose by 3.8 billion yen and 1.1 billion yen, respectively, in semiconductors, with strong sales of LED chips, wafers and indium and sales expansion of wafers for power semiconductors (HEMT). In electronic materials, higher production capacity of silver powder for solar cells led to sales growth and resulted in a 15.6 billion yen rise in sales and a 0.5 billion yen surge in income. In functional materials, carrier powder for copiers attained healthy sales and productivity improved. Sales and income were up 0.8 billion yen each.																																																																											
Metal Processing	60.4	3.2	3.8	75.8	5.4	5.3	15.4	2.1	1.5	In metal processing, sales and income climbed 12.5 billion yen and 1.3 billion yen, respectively, as rolled copper products for automotive terminals and connectors attained sales growth. In plating, sales increased 1.1 billion yen and income rose 0.3 billion yen, as a result of a turnaround in demand for PC and mobile phone applications and efforts to obtain new customers. In thermal devices (circuit substrates), efforts to expand sales of energy-saving industrial machinery and to improve yields and productivity resulted in a sales rise of 1.4 billion yen and income growth of 0.5 billion yen.																																																																											
Heat Treatment	13.4	0.1	0.1	16.9	1.4	1.3	3.4	1.2	1.2	In heat treatment, sales rose 1.9 billion yen and income was up 0.4 billion yen, following actions aimed at winning orders in line with the recovery of demand for parts for automobiles and construction machinery and at shifting production to plants with higher production efficiency. In equipment, sales and income grew by 1.6 billion yen and 0.8 billion yen, respectively, after obtaining maintenance orders in Japan and overseas, sales expansion of new furnaces and reduction of costs of purchased components.																																																																											
Other/ Elimination	(37.1)	0.3	(0.7)	(51.9)	0.8	0.0	(14.8)	0.5	0.8	A rise in revenues of constructors and supporting firms, consolidation adjustment and other factors																																																																											
Total	307.4	13.7	13.8	379.8	22.9	23.3	72.3	9.2	9.5																																																																												

Analysis of Factors in Increase/Decrease in Ordinary Income

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

Billion yen

FY2010 - FY2009	Environmental Management & Recycling	Nonferrous Metals	Electronic Materials	Metal Processing	Heat Treatment	Other	Total
Effects of changes in exchange rate, metal prices, and concentrate purchasing terms		0.1					0.1
A gain or loss on raw material payments (including a gain or loss on hedging instruments and on a lower cost basis)		(0.5)		0.2			(0.3)
Free metal income difference (price difference)		1.7					1.7
Total effects from fluctuations in exchange rate and metal market prices		1.3		0.2			1.4
Free metal income difference (volume difference)		0.2					0.2
Change in orders following change in demand, etc.	2.3		2.6	1.4	1.4		7.8
Total changes associated with changes in business environment	2.3	0.2	2.6	1.4	1.4		8.0
Changes in depreciation	(0.5)	0.5	0.1	0.6	0.0	0.1	0.8
Equity method income or loss	(0.2)	0.2	(0.1)	(0.0)		(0.2)	(0.3)
Other (change in fixed costs, resale of unfinished products, etc.)	(1.1)	0.7	(0.1)	(0.6)	(0.2)	1.1	(0.3)
Others total	(1.8)	1.4	(0.2)	(0.1)	(0.2)	1.0	0.1
Total	0.5	2.9	2.5	1.5	1.2	1.0	9.5

Fiscal 2011 Consolidated Earnings Forecasts

Billion yen

	FY2010	FY2011			Change
	Results	H1 Estimate	H2 Estimate	Full Year Estimate	
Net Sales	379.8	160.0	200.0	360.0	(19.8)
Operating Income	22.9	5.7	13.3	19.0	(3.9)
Ordinary Income	23.3	5.0	15.0	20.0	(3.3)
Net Income	8.5	2.0	8.0	10.0	1.4

Exchange rate and metal prices

	FY2010		FY2011 estimate	(Reference) Nearest
	H1 Average	H2 Average	Full year	April 2011, average
Exchange rate: (¥/\$)	89.0	82.5	80.0	83.4
Copper: (\$/t)	7,135	9,144	8,500	9,483
Zinc: (\$/t)	2,020	2,355	2,100	2,372
Indium: (\$/kg)	547	545	650	696

Assumed Conditions for Fiscal 2011 and Sensitivity (Operating Income/Year)

Million yen

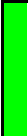



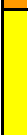
	Fiscal 2011 (estimate)	Fluctuation	Sensitivity (Volume differences and raw material conditions)
¥/\$	80.0 /\$	±¥1 /\$	250
Copper	8,500 \$/t	±100 \$/t	30
Zinc	2,100 \$/t	±100 \$/t	300
Indium	650 \$/kg	±100 \$/kg	400

Sensitivity is based on assumptions that the Company assumes to be reasonable at the time of publication. Actual effects may differ materially due to a variety of factors.

Forecasts of Consolidated Results

Year-on-Year Comparison (by Segment)

Billion yen

	FY2010 Results			FY2011 Forecasts			Change		
	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income	Net Sales	Operating Income	Ordinary Income
 Environmental Management & Recycling	79.7	2.8	2.8	85.0	4.7	5.5	5.3	1.8	2.6
 Nonferrous Metals	188.8	5.1	6.2	160.0	2.5	3.3	(28.8)	(2.6)	(2.9)
 Electronic Materials	70.5	7.1	7.4	75.0	6.2	6.8	4.4	(0.9)	(0.6)
 Metal Processing	75.8	5.4	5.3	70.0	4.4	4.5	(5.8)	(1.0)	(0.8)
 Heat Treatment	16.9	1.4	1.3	16.0	1.0	1.0	(0.9)	(0.4)	(0.3)
Other/ Elimination	(51.9)	0.8	0.0	(46.0)	0.2	(1.1)	5.9	(0.6)	(1.1)
Total	379.8	22.9	23.3	360.0	19.0	20.0	(19.8)	(3.9)	(3.3)

Balance Sheets (Consolidated Results)

Million yen

Accounts	March 31, 2010	March 31, 2011	Change	Accounts	March 31, 2010	March 31, 2011	Change
Assets				Liabilities			
Current Assets	148,700	167,453	18,752	Current Liabilities	116,648	124,232	7,583
Cash and time deposits	27,390	17,231	(10,158)	Notes and accounts payable	28,712	33,367	4,654
Notes and accounts receivable	50,954	55,484	4,529	Short-term borrowings	65,724	54,290	(11,434)
Inventories	56,732	79,791	23,059	Corporate bonds due within one year	7	-	(7)
Deferred tax assets	4,602	6,605	2,003	Accrued income taxes, etc.	1,729	2,728	999
Other current assets	9,287	8,755	(531)	Ingot leasing liabilities	645	11,986	11,340
Allowance for doubtful accounts (267)	(267)	(416)	(149)	Other current liabilities	19,828	21,859	2,030
				Long-Term Liabilities	102,404	102,143	(260)
Fixed Assets	182,020	172,708	(9,312)	Corporate bonds due within one year	10,000	10,000	-
Tangible fixed assets	105,597	104,101	(1,495)	Long-term debt	73,639	73,829	189
Intangible fixed assets	8,877	8,099	(778)	Reserve for employees' retirement benefits	11,964	10,637	(1,327)
Investments in securities	56,424	52,315	(4,108)	Deferred tax liabilities	1,213	1,888	675
Deferred tax assets	8,140	5,542	(2,598)	Other long-term liabilities	5,587	5,788	201
Other investments	3,240	2,852	(387)	Total Liabilities	219,053	226,376	7,323
Allowance for doubtful accounts (260)	(260)	(204)	56	Net Assets			
				Shareholders' Equity	99,830	105,188	5,357
				Common stock	36,437	36,437	-
				Additional paid-in capital	26,362	26,362	-
				Retained earnings	42,791	48,152	5,361
				Treasury stock, at cost	(5,759)	(5,763)	(3)
				Adjustments for Valuation Foreign Currency Translation and Others	6,173	1,654	(4,519)
				Unrealized gains on available-for-sale securities	7,533	5,024	(2,509)
				Net deferred hedge income	160	(865)	(1,026)
				Foreign currency translation adjustments	(1,521)	(2,504)	(983)
				Minority Interests	5,663	6,942	1,279
				Total Net Assets	111,667	113,785	2,117
Total Assets	330,720	340,161	9,440	Total Liabilities and Net Assets	330,720	340,161	9,440
				Interests-bearing debt	149,371	138,119	(11,251)
				Cash and time deposits	27,390	17,231	(10,158)
				Actual balance	121,981	120,888	(1,093)
				Equity ratio	32.1%	31.4%	-0.6%
				ROA	4.1%	7.0%	2.8%

Consolidated Statements of Cash Flows

Million yen

	FY2009	FY2010	Change
I. Cash Flows from Operating Activities			
Income before income taxes and minority interest	9,723	17,219	7,495
Adjustments (non-cash)			
Depreciation	19,876	19,018	(858)
Equity in (earnings) losses of affiliates	(1,568)	(1,228)	339
Structural reform expenses, and impairment loss	2,342	199	(2,142)
(Gain) loss due to sale or disposal of securities, property, plant and equipment	955	809	(146)
Loss on valuation of investment securities	238	2,007	1,768
Increase in allowance for doubtful accounts	(279)	(1,134)	(855)
Interest income and expenses and dividends	1,124	309	(814)
Income taxes paid	2,153	(2,750)	(4,903)
Other, net	8	877	868
Total for profit/loss items	34,573	35,325	751
Increase/decrease in assets/liabilities			
Increase/decrease in trade receivable/payable	(6,069)	100	6,170
Increase/decrease in inventories	(3,491)	(23,054)	(19,562)
Other, net	-	11,583	11,584
Total for balance sheet items	(9,562)	(11,369)	(1,807)
Net cash provided by operating activities	25,011	23,955	(1,055)

	FY2009	FY2010	Change
II. Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	(10,062)	(17,307)	(7,245)
Sale and acquisition of securities	(3,236)	(1,575)	1,661
Change in loans	(1,027)	(188)	838
Proceeds from disposal and sale of property, plant and equipment	114	86	(27)
Other, net	(391)	(272)	119
Net cash used in investing activities	(14,602)	(19,257)	(4,654)
III. Cash Flows from Financing Activities			
Change in borrowings and corporate bonds	(31,081)	(11,532)	19,549
Purchases of treasury stock and issuance of common stock	(33)	58	92
Cash dividends paid	(3,543)	(3,157)	385
Other, net	769	(440)	(1,209)
Net cash used in financing activities	(33,888)	(15,070)	18,817
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(51)	(165)	(113)
Net Decrease in Cash and Cash Equivalents	(23,531)	(10,537)	12,993
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	(35)	164	199
Cash and Cash Equivalents at Beginning of Term	50,681	27,115	(23,566)
Cash and Cash Equivalents at End of Term	27,115	16,741	(10,373)

(For reference)

Free cash flow 14,949 6,648 (8,300)

Balance of interest-bearing debt 149,371 138,119 (11,251)

Changes in Investment and Depreciation

Billion yen

	FY2008 (results)			FY2009 (results)			FY2010 (results)			FY2011 (forecasts)		
	Capital and stock investment	R&D investment	Total	Capital and stock investment	R&D investment	Total	Capital and stock investment	R&D investment	Total	Capital and stock investment	R&D investment	Total
Environmental Management & Recycling	17.0	0.6	17.6	3.8	0.3	4.1	6.7	0.3	7.0	6.1	0.6	6.7
Nonferrous Metals	9.4	0.9	10.3	7.6	0.7	8.3	5.1	0.8	5.9	3.0	0.7	3.8
Electronic Materials	2.6	2.5	5.2	0.8	2.2	3.0	3.5	2.4	6.0	3.3	3.0	6.3
Metal Processing	2.7	0.4	3.2	0.7	0.3	1.0	1.1	0.3	1.5	3.6	0.3	4.0
Heat Treatment	2.5	0.3	2.9	0.6	0.2	0.8	2.2	0.2	2.4	1.5	0.2	1.8
Companywide, Other	0.8	0.0	0.8	0.5	0.4	0.9	0.1	0.0	0.2	0.3	0.2	0.5
Total	35.3	4.9	40.3	14.0	4.1	18.1	18.9	4.2	23.2	18.0	5.2	23.3

Depreciation Expenses

Billion yen

	FY2008	FY2009	FY2010	FY2011 (forecasts)
Environmental Management & Recycling	2.8	4.7	5.1	5.0
Nonferrous Metals	7.5	7.1	6.5	5.9
Electronic Materials	2.3	2.1	2.0	2.7
Metal Processing	3.8	3.2	2.6	2.5
Heat Treatment	1.6	1.6	1.5	1.6
Companywide, Other	0.6	0.6	0.4	0.4
Total	18.6	19.3	18.4	18.3

Major capital and share investments during fiscal 2010

- Environmental Management & Recycling: Eco-System Sanyo: Furnace replacement and new furnace for trace PCB waste treatment
Electric appliance recycling in China (Suzhou and Tianjin)
- Nonferrous Metals: Zinc recycling facility
- Electronic Materials: Expansion for silver powder and nitride semiconductors
- Heat Treatment: Establishment of Kunshan Dowa

***Summary of Business Results and
Our Focus for the Future***

Summary of Fiscal 2010

Business Results

(Billion yen)

	FY09 Results	FY10 Results	Change
Net Sales	307.4	379.8	72.3
Operating Income	13.7	22.9	9.2
Ordinary Income	13.8	23.3	9.5
Net Income	4.3	8.5	4.1

- ◆ Income growth was attained in all business segments.
- ◆ The earthquake had a negative impact of 3.6 billion yen on the balance; specifically, ordinary loss of 1.9 billion yen and extraordinary loss of 1.7 billion yen.

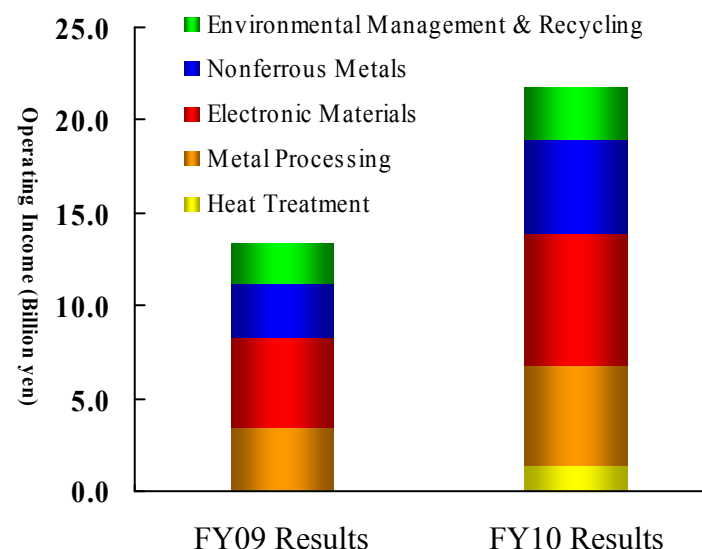
Situations of Markets

- ◆ In the second half, demand in the automobile and IT- and electronics-related sectors was strong though the eco-car subsidy program was ended and that the eco-point program was downscaled.
- ◆ Demand for construction machinery and machine tools continued to grow amid brisk demand in emerging economies.
- ◆ The waste market was recovering moderately. The soil remediation market was sluggish. The home electric appliance recycling market was healthy.

Effects of Metal Prices and Exchange Rates

- ◆ Gold, silver and copper prices reached historically high levels while the zinc price stayed firm. On the other hand, the yen value against the US dollar temporarily surpassed the 80-yen mark.
⇒ This had an effect of increasing income by 1.4 billion yen from the previous fiscal year.

Comparison in Operating Income



Actions for FY2010

■ Strengthening existing businesses

- Increase operation rates: Kosaka Smelting & Refining (2009: 64% → 2010: 72%), Eco-System Chiba (increasing volume of treatment by 30% from the previous year's level)
- Increase productivity: Heat treatment (concentrating operations at Ota and Handa), DOWA Metal (improvement in yields)

■ Addressing growth markets

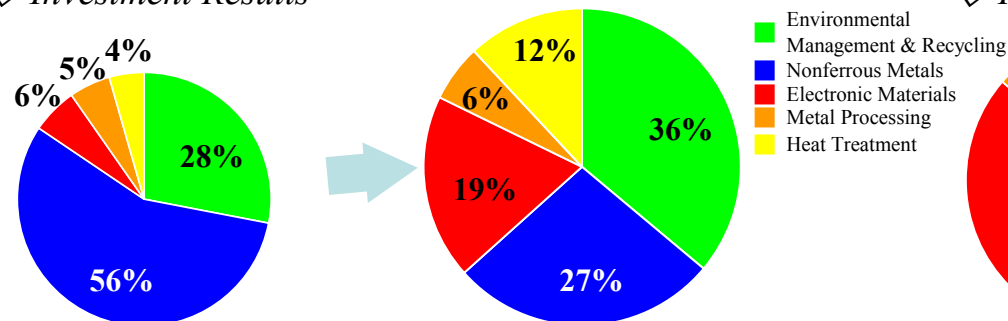
- New energy fields: Silver powder (monthly production capacity increased from 80 metric tons to 110 metric tons), nitride semiconductors (facility expansion)
- Push ahead with recycling business: Secondary zinc material (Launched in Dec.)
- New business fields: Treatment of trace PCB waste (commencement of construction at Eco-System Sanyo Co., Ltd. and acquisition of permission for Kowa Seiko)

■ Expanding overseas operations

- China: Recycling of home electric appliances (Dowa Suzhou and Tianjin Dowa coming into operation and permission obtained for construction of a new base in Jiangxi)
soil remediation, an industrial furnace (plant under construction)
- Southeast Asia: Waste treatment (rise in MAEH's treatment volume), copper strip products, heat treatment (expansion of equipment)
- Europe: Platinum group metals (PGM) (a sampling base under construction), metal-ceramic substrates (sales expansion and cost reduction)

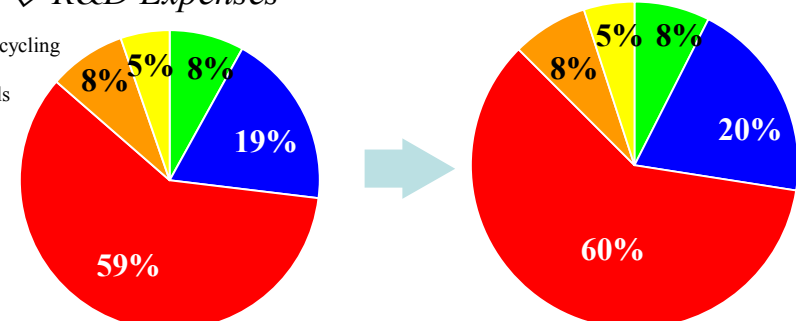
■ Investment and R&D

◇ Investment Results



FY2009 Results: 14.0 bn yen → FY 2010 Results: 18.9 bn yen

◇ R&D Expenses



FY2009 Results: 4.1 bn yen → FY 2010 Results: 4.2 bn yen

Major Bases Affected by the Earthquake

Base	Major Productions and Business	Date of Resumption of Operation
Eco-System Akita Co., Ltd.	Intermediate waste treatment	March 23
Eco-Recycle Co., Ltd.	Home electric appliance recycling	March 14
Kosaka Smelting & Refining Co., Ltd.	Copper, gold and silver	April 4
Akita Smelting & Refining Co., Ltd.	Zinc	April 4
Dowa Semiconductor Akita Co., Ltd.	Semiconductors	April 4

Equity method affiliate

Onahama Smelting & Refining Co., Ltd.	Copper	Mid-July (expected)
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- *No major equipment damage was caused to any base except Onahama Smelting & Refining.*
- *Operation was temporarily suspended due to power supply issues.*

⇒ *Operations resumed in the mid-March to early April. All the plants are currently operating normally except for Onahama Smelting & Refining, where 65% operation is planned to start in mid-July.*

Forecast for FY2011

Consolidated results forecast

(Billion yen)

	FY2010 Results	FY2011 Forecast	Change
Net Sales	379.8	360.0	-19.8
Operating Income	22.9	19.0	-3.9
Ordinary Income	23.3	20.0	-3.3

Outlook for markets

◆ Automobiles

Delayed recovery of supply chains in Japan will decrease operation by 50% in the first quarter and 20%-30% in the second quarter.

Normal production is expected in the second half after gradual recoveries.

◆ IT and Semiconductors

Demand for flat-panel TVs and smartphones will remain strong across the globe.

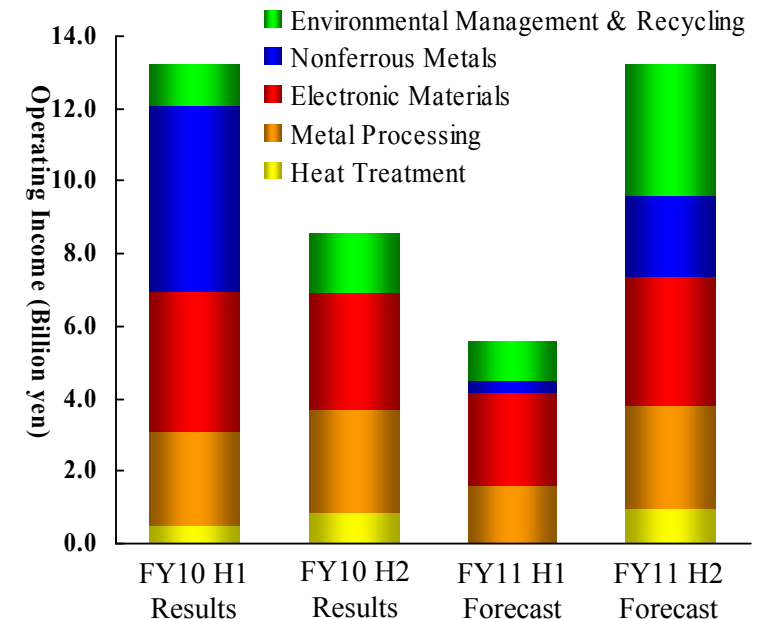
Demand for solar cells and power semiconductors in the fields of new energy and energy conservation will grow continually.

◆ Environment

The waste treatment and recycling market will stay firm and its rally is forecasted to begin in the second half despite some impacts associated with production activities in Japan.

Demand for waste treatment, soil remediation and recycling is trending upward in Asia.

Trend in Operating Income in FY2010-11



***Challenges in Our Business and
Focus for the Futures***

Outlook for FY2011 (compared to FY2010)

◆ Waste treatment

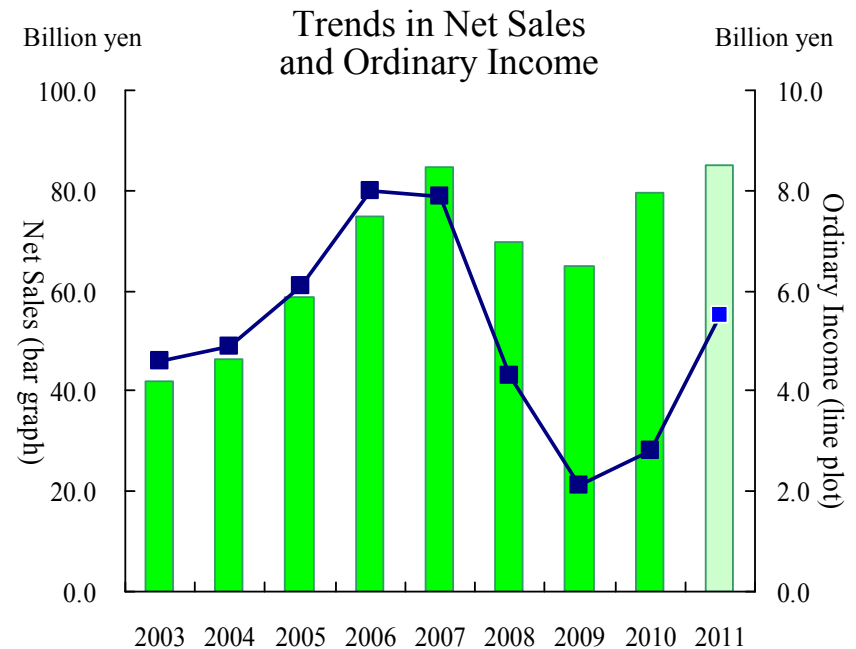
Net sales: 105% for 1st half and 130% for 2nd half
(Turnaround expected from normalized production activities in Japan)

◆ Soil remediation

Net sales: 125% for 1st half and 100% for 2nd half
(Surveys and onsite treatment to increase due to revised legislation)

◆ Recycling

Net sales: 110% for 1st half and 100% for 2nd half
(Growth forecast even after closure of the eco-point program)

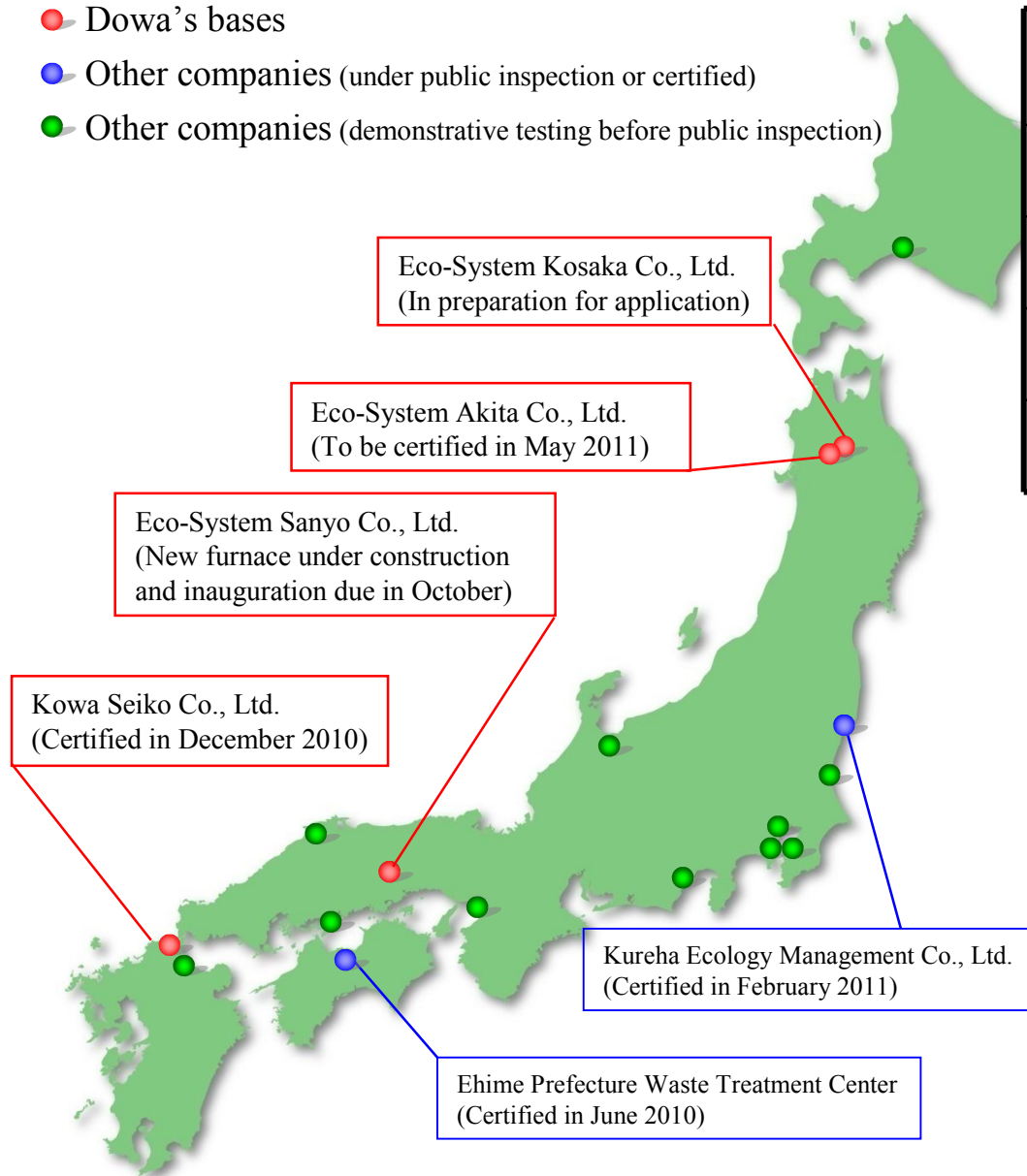


Future actions

- **Waste treatment**
 - Launch trace PCB waste treatment business
 - Boost profits by enhancing operations and increasing the array of difficult-to-treat waste accepted
- **Soil remediation**
 - Capture the survey and on-site remediation markets that will expand after law amendment
 - Expand business into Chinese and Southeast Asian markets
- **Recycling**
 - Strengthen sales activities to ensure collection of recyclable materials from overseas
 - Put three Chinese bases – in Suzhou, Tianjin and Jiangxi – into full operation

Developments of trace PCB Waste Treatment

- Dowa's bases
- Other companies (under public inspection or certified)
- Other companies (demonstrative testing before public inspection)



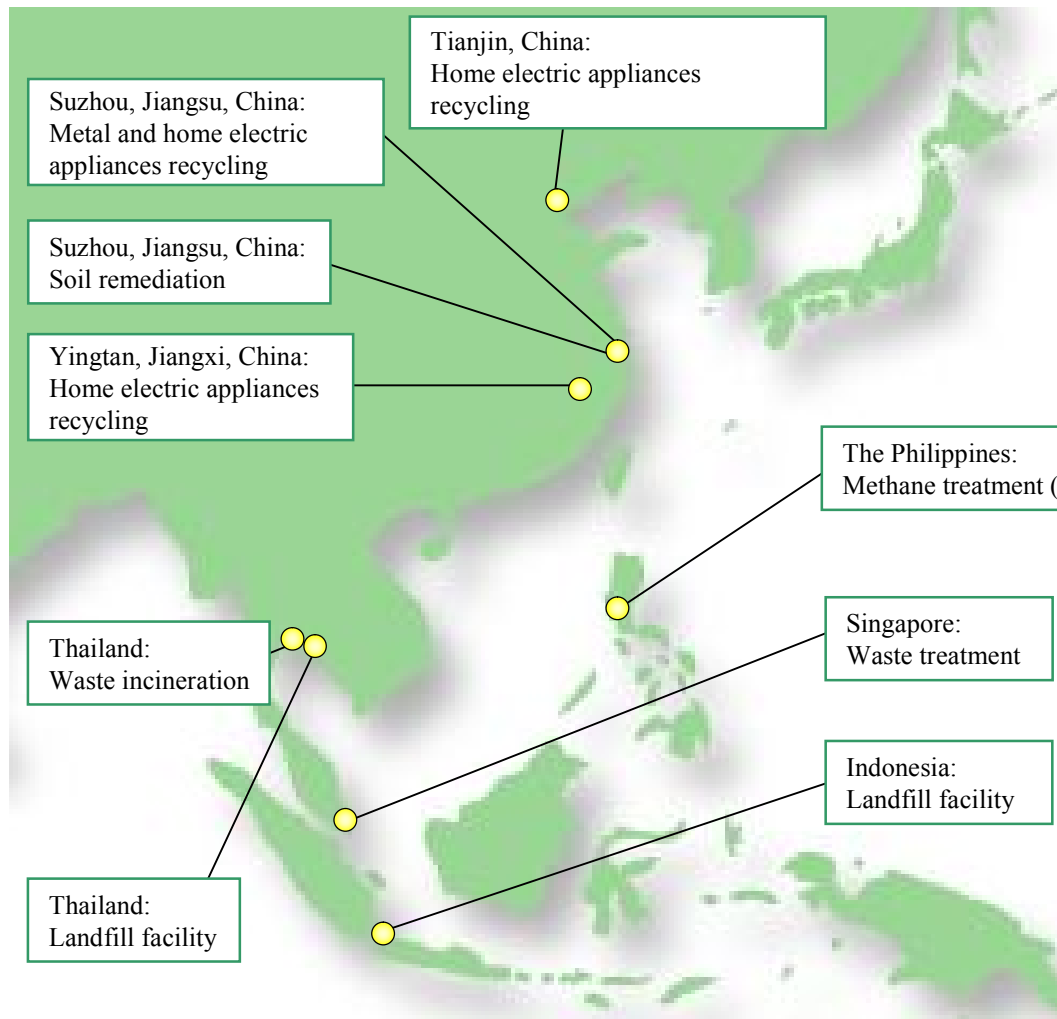
<Progress at individual bases>

	FY2010		FY2011	
	H1	H2	H1	H2
Akita	Application for minister's certification		Acceptance	
Kosaka			Application for minister's certification	
Sanyo	Application for facility inspection	Facility construction	Trial operation	Application for permission to prefectural government
Kowa	Application for minister's certification			

During the first half of FY2011, two bases will commence acceptance. By the end of the FY2011, four bases will be in operation.



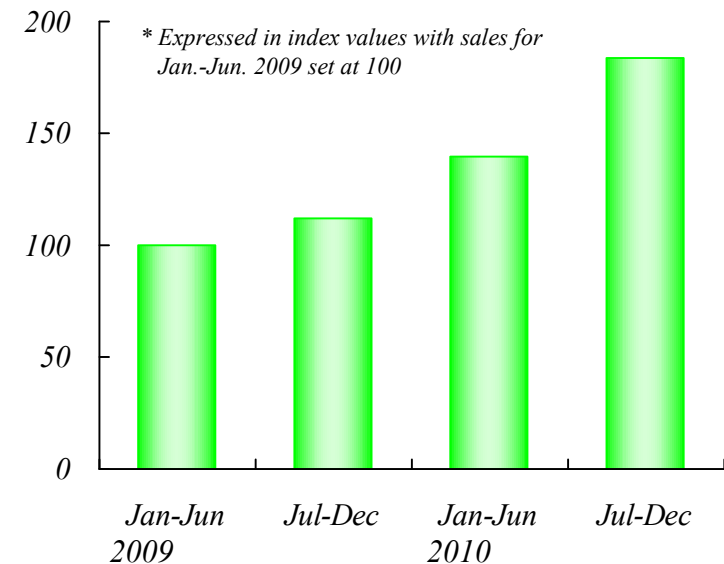
Expansion of Environmental Recycling Business in Asia



Located in Tianjin, the second base for the home electric appliance recycling business in China has been put into operation.



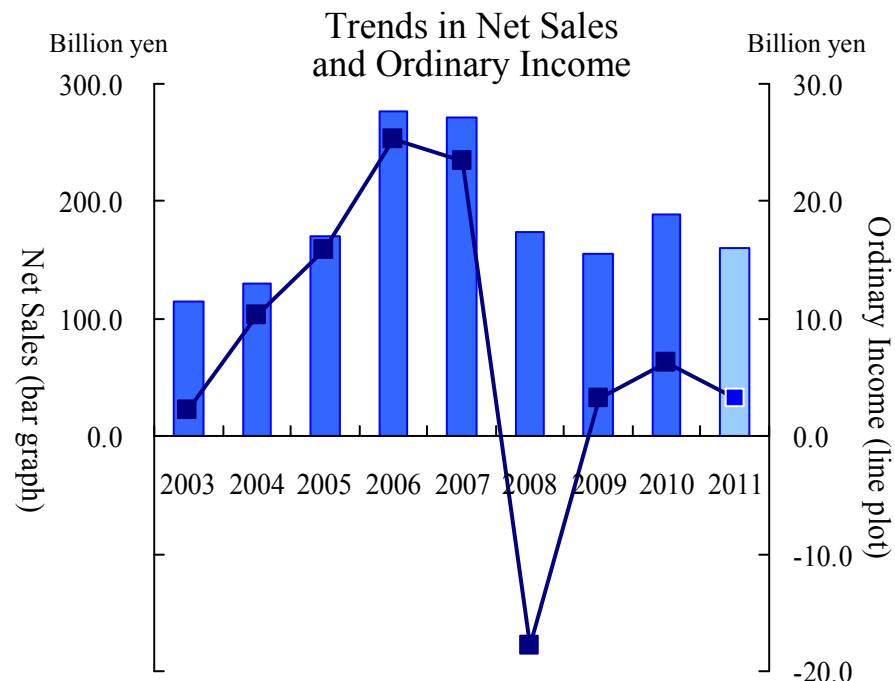
Trend in MAEH Sales



- China: Home electric appliance recycling plants are successively put into operation.
- SE Asia: Sales steadily grow following a rise in treatment volume. Metal recycling business was commenced.

Outlook for FY2011 (compared to FY2010)

- ◆ **Copper** *Production volume:*
 15% for 1st half and 105% for 2nd half
 (Onahama Smelting & Refining: Operation to resume mid-July)
- ◆ **Zinc** *Production volume:*
 90% for 1st half and 145% for 2nd half
 (Akita Smelting & Refining: Operation restarted in April)
- ◆ **PGM** *Collection of raw materials*
 125% for 1st half and 150% for 2nd half
 (Growing generation of spent catalysts for automobiles in Europe)



Future actions

- **Precious metals and copper**
 - Boost impurity treatment capacity at Kosaka Smelting & Refining and launch new metal recovery (recovery of nickel due to start in September 2011 and tin in February 2012)
 - Address customer relations and procurement of raw materials toward resumption of operation of Onahama Smelting & Refining
- **Zinc**
 - Attain full-scale launch of zinc recycling business
 - Boost operation of Akita Smelting & Refining to increase sales
- **PGM**
 - Set up a sampling base in Czech Republic and expand collection from Europe

Strengthening of Foundation for Refining Business

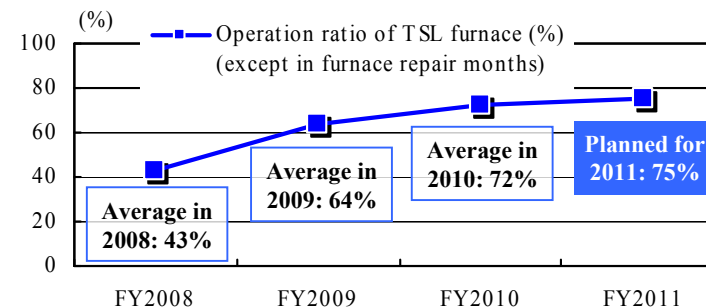
Expansion of Kosaka Smelting & Refining's Metal Collection

Plan for FY2011: TSL furnace operation rate of 75%

- Recovery of new metals to bolster ability to deal with impurities
- Continued efforts to improve operation and increase treatment volume



Diversify raw materials, increase metal recovery and achieve a higher treatment volume.



Actions to strengthen metal recovery

- Nickel: Under construction - Operation starts in September 2011 (expected)
- Tin: Under construction - Operation starts in February 2012 (expected)
- Antimony & Gallium: Construction for increasing production
- Impurity treatment: Operation of an arsenic stabilization plant

PGM: Inauguration of Sampling Base in Europe

Since the 1990s, an increasing percentage of cars equipped with automotive catalyst to comply with tougher exhaust emission restrictions.

⇒ An increasing amount of spent catalyst will be generated.

Set up a sampling facility for increased collection from the growing European market

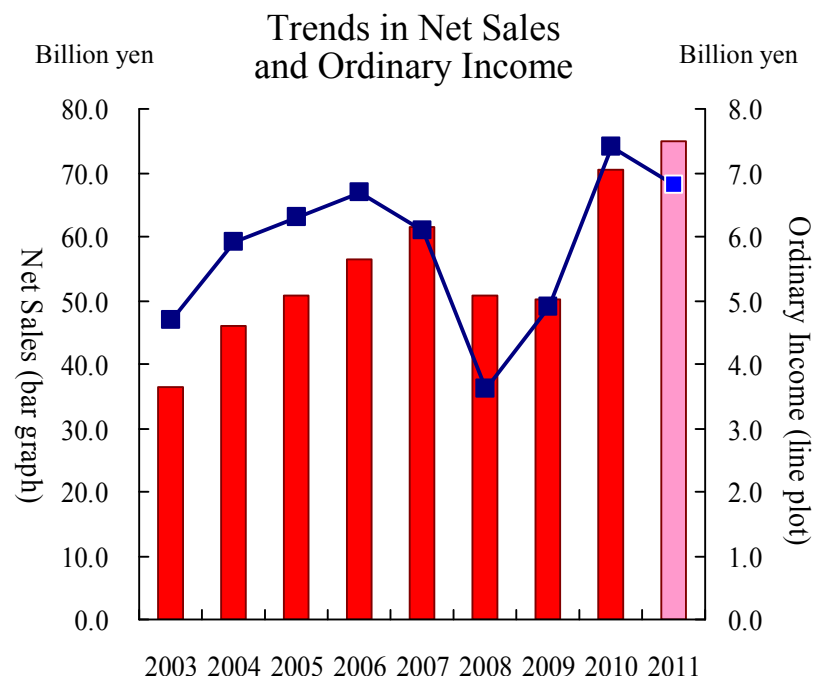
- Location: Liberec, Czech Republic
- Inauguration: July 2011 (expected)

Projection of PGM materials generation in Europe



Outlook for FY2011 (compared to FY2010)

- ◆ **Semiconductors**
Net sales: 105% for 1st half and 125% for 2nd half
(Growth in fields of LEDs for sensors and power semiconductors)
- ◆ **Electronic materials**
Sales volume of silver powder: 115% for 1st half and 150% for 2nd half
(Demand for solar cells on upward trend)
- ◆ **Magnetic materials**
Sales volume of metal powder: 85% for 1st half and 105% for 2nd half
(Successive recoveries despite adverse impacts on users' supply chains)
Sales volume of carrier powder: 100% for 1st half and 115% for 2nd half
(Brisk copier demand mainly in emerging countries)



Future actions

- | | | |
|-------------------------------|--------------------------------|--|
| ■ Semiconductors | - HEMT: | Consider properties enhancement for boosting sales and further production increase |
| ■ Electronic materials | - Silver powder: | Ensure monthly production of 110 metric tons and win new users |
| ■ Magnetic materials | - Metal powder: | Develop next-generation magnetic powder (LTO6) with a view to mass production |
| | - Carrier powder: | Increase market share by acquiring new users and attain higher production |
| ■ New development | - Deep ultraviolet LEDs: | Improve reliability for early entry into resin curing and sterilization markets |
| | - Silver nanopowder and paste: | Step up efforts to develop products for solar cell electrodes and power semiconductor joints |

Actions to Address Growing Markets

Increasing production of nitride semiconductor HEMTs

- Development and prototypes accelerated by users as next-generation semiconductor devices
- Mass production for consumer applications (e.g., PCs and home electric appliances) expected to start in FY2012

⇒ *Increase production capacity to meet users' demand for mass production*

Increasing silver powder production

- Aug. 2010: Inauguration of equipment with capacity of 80 metric tons per month
- May 2011: Expected completion and inauguration of equipment with capacity of 110 metric tons per month

⇒ *Increase market share in market for solar cell and PDP applications*

Market share for solar cells: 30% in 2010 to 40% in 2011

Boosting sales of carrier powder

The copier market is continually growing at an annual rate of 3% to 5%.

Underlying factors:

- *Demand growth in China and emerging countries*
- *Increase in users of full-color models*

⇒ *Win new users to increase market share and implement increased production*



Gallium nitride epitaxial substrates

Trend in Sales Volume of Carrier Powder
**Expressed in index values with sales volume for FY2008 set at 100*



Outlook for FY2011 (compared to FY2010)

◆ Copper strip products

Sales volume: 85% for 1st half and
100% for 2nd half

(Sales for automobile sector starts to rally in the second half while those for semiconductor sector to remain firm)

◆ Electroplating

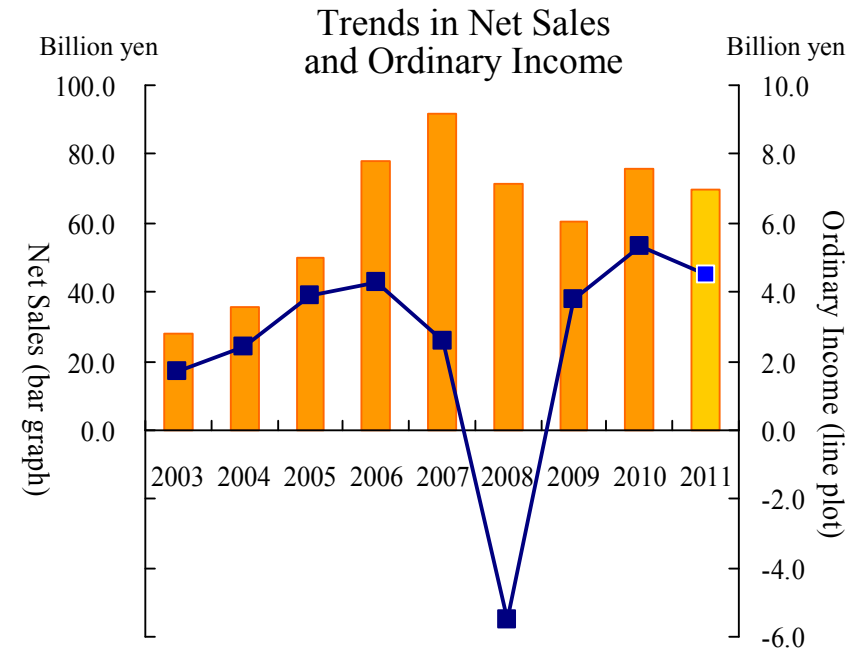
Processing sales: 70% for 1st half and
100% for 2nd half

(Sales for automobile sector starts to rally in the second half while those for IT-related sector to remain firm)

◆ Metal-ceramic substrates

Net sales: 100% for 1st half and
115% for 2nd half

(Demand growth after expansion of industrial machinery and railway markets)



Future actions

■ Copper strip products

- Expand sales of products for hybrid and electric vehicles
- Expand sales of environmentally friendly products and obtain new users outside Japan

■ Electroplating

- Capture demand in new fields including electrodes and terminals for lithium batteries
- Increase productivity and sales by optimizing production in lines

■ Metal-ceramic substrates

- Increase sales in the European railway sector and expand market share in Japan
- Enlarge production capacity by enhancing productivity and improving processes

Actions to Address Growing Markets

■ Actions in Copper Strip Business

Markets

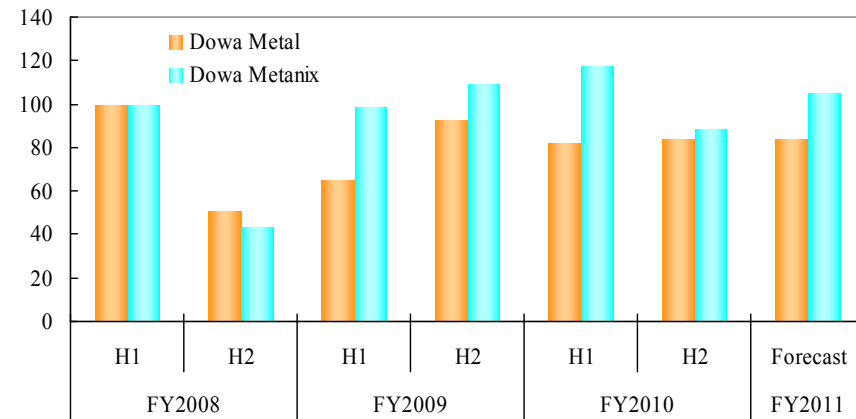
- Automobiles: On turnaround after Lehman collapse
- Semiconductors: Market recovery projected despite users' inventory adjustments in second half of 2010

Actions

- Sales of products for growth fields, such as hybrid vehicles and smartphones, and environmentally friendly products alternative to copper-beryllium alloys
- Bolster profit-earning capabilities by improving productivity and pressing ahead with inventory reduction

Trends in Sales Volumes of Dowa Metal and Dowa Metanix

* Expressed in index values with the level for the first half of 2008 set at 100



■ Sales Expansion of Ceramic Substrates

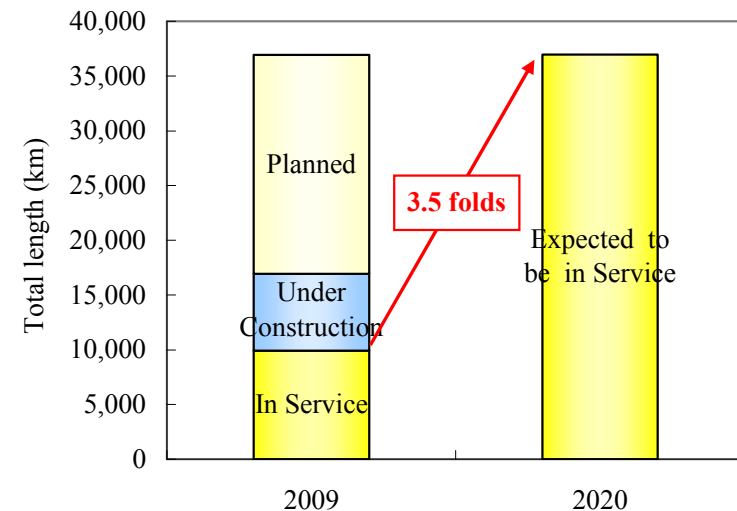
Markets

- Industrial machinery: Market strength driven by Chinese market (Annual growth rate: 5% to 7%)
- Railway: Market increasing as several countries have high-speed railway construction plans (Annual growth rate: 10% to 20%)

Actions

- Carry out sales expansion efforts targeted at railway markets with high growth rates
- Increase competitive advantage by enhancing productivity and cutting costs

High-Speed Railway Plans Worldwide (in length)



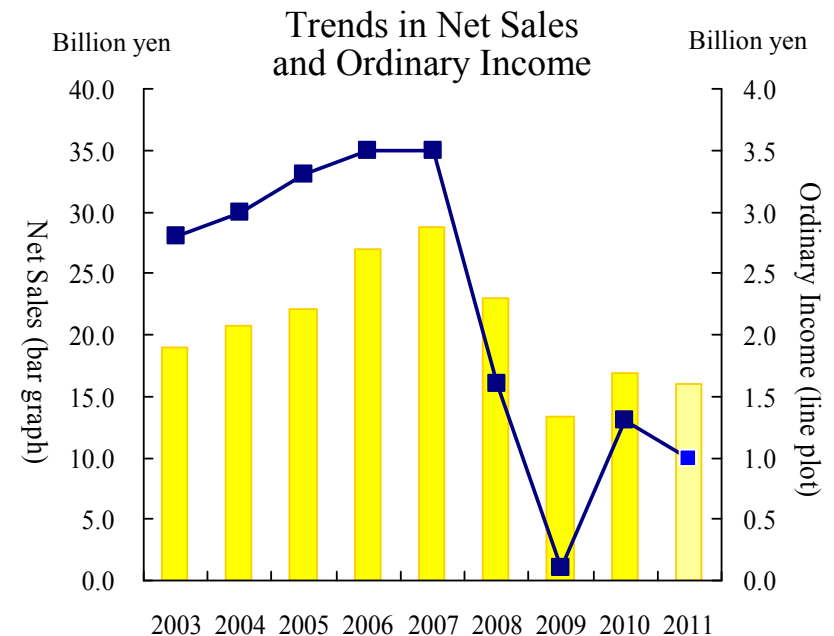
Outlook for FY2011 (compared to FY2010)

◆ Heat treatment

*Net sales: 80% for 1st half and 100% for 2nd half
(Domestic automobiles production projected to rally in second half and later)*

◆ Industrial furnaces

*Net sales: 135% for 1st half and 115% for 2nd half
(New furnace sales rising after growing automobile production and expanding demand for construction machinery in emerging economies; maintenance demand also bullish)*



Future actions

■ Heat treatment

- Achieve total optimization of the production system in response to changing domestic market
- Receive more orders for construction machinery and machine tools
- Launch heat treatment operations in Kunshan, China

■ Industrial furnaces

- Produce industrial furnaces outside Japan and increase maintenance bases in China, Indonesia and the rest of Southeast Asia
- Increase development personnel for new furnaces with energy-efficient, low-cost and environmentally friendly features

Overseas Business Expansion

Setup of Chinese Bases

- ◆ China's automobile production steadily grows for both Chinese manufacturers and foreign counterparts including Japanese ones

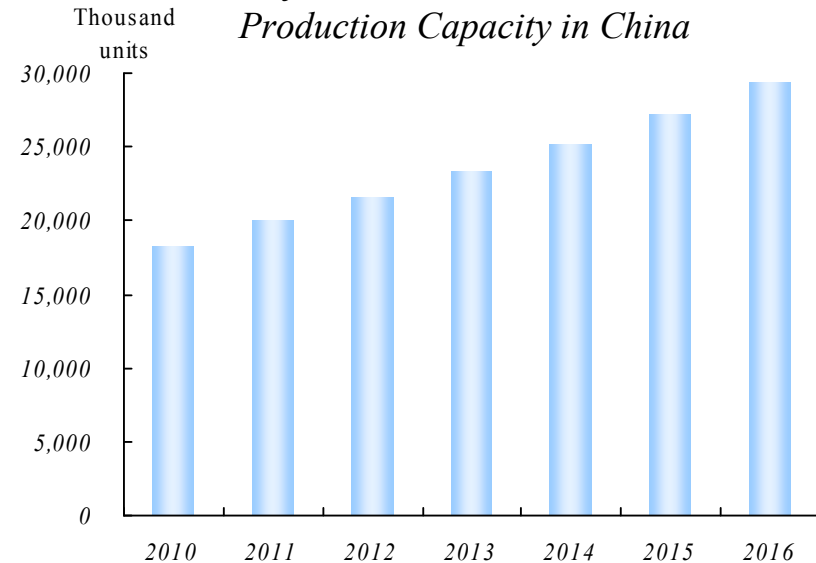
- Establish in city of Kunshan, Jiangsu Province in the suburbs of Shanghai
- Industrial furnace business to launch in October 2011
- Heat treatment operation to commence in December 2011

FY2011	Q1	Q2	Q3	Q4
Industrial Furnace	Plant Construction		Operation	
Heat Treatment	Plant Construction		Operation	

Recovery of the North American Market

- ◆ Steady sales rise amid market recovery from Lehman collapse
- Achieve continued order increase by capturing new projects and projects for production expansion though there is concern that short supply of parts following the Great East Japan Earthquake may cause trouble to carmakers.

Projected Trend in Automobile Production Capacity in China



Trend in Heat Treatment Volume Dealt with by Dowia THT America

* Expressed in index values with level for first half of 2008 set to 100



Conclusion

- ◆ *Unfailingly keep up with the trend toward market recovery to steadily implement measures aimed at higher productivity and increased orders*
- ◆ *Continue to make active investments in growth areas including new energy and recycling business*
- ◆ *Expand business operations in ever-growing markets in Asia and emerging economies*

Jump up to the New Stage