

Midterm Plan 2020

DOWA HOLDINGS CO., LTD. (Headquarters: 4-14-1 Sotokanda, Chiyoda-ku, Tokyo; Capital: 36.4 billion yen; President: Masao Yamada; "DOWA") announces that DOWA has established "Midterm Plan 2020," a three-year midterm plan for FY2018 through FY2020. DOWA considers its sustainable growth to be important to continue to develop as a valuable social entity that contributes to its shareholders, customers, employees and local communities. Based on Midterm Plan 2020, DOWA will aim to build businesses equipped with stability and growth potential by strengthening the business base and aggressively investing its management resources.

The following is a summary of Midterm Plan 2020.

1. Period Three years, from FY2018 through FY2020

2. Basic policies
 - Expand businesses in growth markets
Aggressively invest management resources in markets for "automobiles," "information and communication," "environment and energy" and "healthcare."
 - Increase competitiveness of existing businesses
Enhance the earning power of existing businesses by increasing competitiveness in the mature domestic markets and improving the functions in the recycling and smelting complex.

3. Key strategy of each segment
 - Environmental Management and Recycling
 - Expand waste treatment business in Southeast Asia by constructing new facilities and increasing treatment capacity
 - Increase cost competitiveness of low-contaminated PCB waste treatment and expand waste melting and recycling businesses
 - Promote naturally contaminated soil remediation and increase overseas collection of materials for recycling
 - Nonferrous Metals
 - Increase production of tin by Kosaka Smelting & Refining and improve treatment capabilities
 - Expand the annual zinc production at Akita Zinc to 220,000 tons by increasing ability to treat impurities
 - Start construction and operation of new zinc mine in Mexico

Electronic Materials

- Develop and mass produce LEDs for healthcare businesses
- Maintain a high market share of silver powder for solar panels
- Increase line of conductive materials for information and communication devices

Metal Processing

- Increase production and expand sales of copper alloys to meet growing demand for electric vehicles, intelligent vehicles, and IoT
- Establish an electro-plating plant in Mexico
- Enhance the processing businesses in China, Thailand and Taiwan
- Expand sales of substrates for trains and automobiles as well as industrial machinery

Heat Treatment

- Increase domestic capacity and establish new plants in India to meet growing demand for automobile-related products
- Boost sales of new furnaces in India and North America
- Expand furnace maintenance business

4. Financial Data

	Midterm Plan 2020	FY2017 forecast
Ordinary income (FY2020)	50 billion yen	36.5 billion yen
Operating income (FY2020)	45 billion yen	34 billion yen
ROE (FY2020)	12% or more	11%
ROA (FY2020)	10% or more	9%
Operating CF (Total for 3 years)	120 billion yen	112 billion yen
Investment (Total for 3 years)	110 billion yen	82 billion yen
R&D (Total for 3 years)	20 billion yen	17 billion yen

Exchange rate and metal prices:

JPY 115 = USD 1.00, zinc: USD 2,700/ton, copper: USD 5,500/ton

5. Ordinary Income by Segments

