

Dowa Eco-System to Set Up Joint Venture in China for Soil Remediation

Building a presence in the Chinese market in anticipation of rapid growth

Dowa Eco-System Co., Ltd. (14-1 Sotokanda, 4-chome, Chiyoda-ku, Tokyo; Capital: ¥1,000 million; President: Yoshito Koga), a subsidiary of Dowa Holdings Co., Ltd. (same location; Capital: ¥36,400 million; President: Masao Yamada) and Dowa Environmental Management Co., Ltd. (28 Sanlian Road, Suzhou New District, Suzhou, Jiangsu, China; Capital: US\$13.2 million; President: Yukihiro Takayama, hereinafter “Dowa Suzhou”), a subsidiary of Dowa Eco-System Co., Ltd., which holds a 90% interest, have agreed to establish a joint venture for soil remediation together with Suzhou Nation New & Hi Tech Zone Economic Development Group Corporation (Suzhou, Jiangsu, China; hereinafter “SND”), a company run by Suzhou City.

As China’s economy grows, rapid development is taking place on its former farmlands and industrial sites. Consequently, news reports of soil contamination are rising in number, indicating a growing social problem. Legislation on a national level is expected to take effect from 2015, as seen in the drafting of China’s version of the Soil Contamination Countermeasures Act in December 2009 by the Ministry of Environmental Protection. With this legislation, demand for soil remediation is likely to rise, and in fact is already believed to exceed soil remediation demand in the Japan market, which is estimated to be worth ¥13 trillion. Dowa Eco-System has consequently decided to develop a soil remediation business in China.

Dowa Eco-System’s joint venture partner, SND, a company operated by Suzhou City government, owns 10% of Dowa Suzhou, which was established by Dowa Eco-System in 2003. SND’s main business is real estate development and public projects in Suzhou. With the introduction and deployment of the Dowa Group’s soil remediation technology and expertise, in addition to Dowa Suzhou’s experience in the business of recycling of metals and home appliances, the joint venture will be able to respond to a wide range of environmental needs, including the need for soil remediation in China.

The Dowa Group has already entered China in the environmental management and recycling fields, starting with the business of recycling metals and home appliances, and in the metal processing and heat treatment business. With the more recent establishment of this joint venture, the Group’s presence into China will move into high gear in the soil remediation business. Dowa Holdings will be bolstering its soil remediation business in Japan and overseas, enhancing the structure of its Southeast Asian bases.