

**Expansion of Heat Treatment Business Targeting
Automotive Parts Manufacturers in the United States**

– Establishment of a base for maintenance of heat treatment furnaces in North Carolina –

DOWA THERMOTECH CO., LTD. (Headquarters: 19-1 Ukishima-cho, Mizuho-ku, Nagoya-shi, Aichi; Capital: 1 billion yen; President: Ryuji Tsuji), a subsidiary of DOWA HOLDINGS CO., LTD.

(Headquarters: 14-1 Sotokanda 4-chome, Chiyoda-ku, Tokyo; Capital: 36.4 billion yen; President: Akira Sekiguchi), has established DOWA THERMOTECH NORTH CAROLINA, INC. (hereinafter, the “New Company”) in North Carolina, the United States, home to a cluster of automotive companies, and will begin operating a business of providing maintenance services for heat treatment furnaces.

A large number of automakers and automotive parts manufacturers from all over the world have their bases in the Southeastern United States. In this area, the demand for heat treatment, which improves the toughness and fatigue durability of metallic components, is expected to grow with the increase of automobile production.

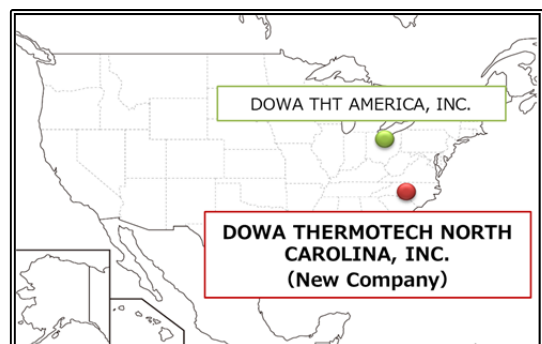
DOWA THERMOTECH CO., LTD. operates widely in Japan, the United States, Thailand, China, India, Indonesia, and Mexico, where the company meets demand for heat treatment, which improves the durability of products such as components for automobiles and construction machines, by manufacturing and selling heat treatment furnaces and providing maintenance services for the furnaces and outsourced heat treatment processing services.

The New Company is DOWA THERMOTECH’s second facility in the United States following DOWA THT AMERICA, INC. (Ohio). It will start operating the maintenance business for heat treatment furnaces in October 2018 to fulfill the demand for maintenance of heat treatment furnaces, which is growing among automakers and automotive parts manufacturers in the Southeastern United States. The New Company is also looking at expanding its business in the future to provide outsourced heat treatment processing services.

DOWA THERMOTECH CO., LTD. will capture the demand growing in the Southeastern United States through collaborations between the New Company and its existing base in the country, in addition to expanding its bases in Asia, including Southeast Asia and India. It will thus continue to expand its business into regions where the automotive industry is expected to grow.

[Overview of the New Company]

- Name: DOWA THERMOTECH NORTH CAROLINA, INC.
- Location: CENTRAL CAROLINA ENTERPRISE PARK,
Sanford, North Carolina, the United States
- Business: Maintenance of heat treatment furnaces
- Capital: 5 million US dollars
- Shareholder: DOWA THERMOTECH CO., LTD. (100%)
- Representative: Yamazaki Yasunori, President and
Representative Director
- Start of operation: October 2018



<Contact for inquiries>

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