

Dowa Eco-System Completes Auto Recycling Plant in Akita, Japan

TOKYO, November 20, 2007 — Dowa Eco-System Co., Ltd., a subsidiary of Dowa Holdings Co., Ltd., has today completed construction of an automobile recycling plant in the Kosaka district of Akita Prefecture. The plant is called Auto Recycle Akita Co., Ltd., or ARA.

ARA was established in January 2007 as a joint venture with the major automobile recycling company, Keiaisha Co., Ltd.

ARA has started collecting and disassembling used automobiles from Akita Prefecture and surrounding districts, and the recovery and reutilization of ferrous and non-ferrous metals, as well as other rare metals, is set to begin tomorrow. Recovery of valuable metals will be facilitated by processing at the adjacent facility of Kosaka Smelting & Refining Co., Ltd., resulting in more effective utilization. Projected net sales, when including the existing automobile shredding business, is expected to be about 3.0 billion yen annually.

Dowa Eco-System has also simultaneously established a precious metal recovery plant (Ecosystem Recycling Co. Ltd., North Japan Plant) on the same site in Kosaka district. The Dowa Group is actively developing an environmental recycling business in Kosaka, Odate, and other areas in the northern part of Akita Prefecture, and establishment of these two plants is an important step in strengthening the group's business foundations in the area.

The two plants are certified as "Akita Prefecture Appeal Enterprises," and are recipients of environmental industry facility development grants, to further strengthen cooperation with the ecotown project in the northern part of Akita Prefecture.

(1) Overview of ARA

Company name:	Auto Recycle Akita Co., Ltd.
Location:	96, Sugisawa, Kosaka Kozan, Kosaka-machi, Kazuno-gun, Akita-ken
Representative:	Hidekazu Kato, President and CEO
Paid-in capital:	100 million yen (Dowa Eco-System 60%, Kosaka Smelting & Refining 10%, Keiaisha 30%)
Type of business:	Collecting, disassembly, and recycling of used automobiles

(2) Overview of Keiaisha

Company name:	Keiaisha Co., Ltd.
Location:	38-23, Iwabuchi-cho, Kita-ku, Tokyo
Representative:	Tomeshiro Takeuchi, President and CEO
Paid-in capital:	1.9 billion yen
Type of business:	Automobile parts, metals, vehicle recycling, etc.