

Dowa Commences Commercial Production of Biodiesel Fuel in Okayama

Used Cooking Oils to be Recycled

TOKYO, April 4, 2008 – Dowa Eco-systems Co., Ltd., a subsidiary of Dowa Holdings Co., Ltd., today announced that a new group company will engage in the production of biodiesel fuels (BDF) sourced from used cooking oils, in partnership with Okayama City.

As moves are made to reduce the amount of fossil fuels used and cut greenhouse gas emissions, it is expected that the demand for BDF, which is an alternative to light diesel oil, will continue to grow.

In its role as a leading enterprise in the field of environmental protection, the Dowa Group is actively engaged in efforts to reduce global environmental impacts and to promote new environmentally friendly businesses. This new project is positioned as one element in that strategy.

The Dowa Group has Okayama as its principal business location, and this new project will bring together the city's administration, its people, other local industries and the Dowa Group in the development of a used cooking oil recycling system, thus contributing to the building of a more sustainable society.

The parties involved are considering ways of effectively utilizing this project as a specific means of contributing to the Education for Sustainable Development program adopted by the United Nations, which Okayama City has taken on board and is promoting. They also intend to apply to Japan's Ministry of Agriculture, Forestry and Fisheries to have the project recognized as a regional biofuel usage model certified project.

Overview of the BDF production business

1. Details of business: A new Dowa Group company (details to be confirmed) will collect used cooking oils from ordinary households, restaurants and factories, and use this waste product to produce BDF (100% biodiesel). This will then be supplied as an alternative to light diesel oil, mainly to garbage collection vehicles operated by Okayama City. The possibility of external sales is also under consideration.
2. Funds to be invested: Approximately 200 million yen.
3. Production capacity: 1,200 kiloliters each year
4. Production site: 1-3-1 Kaigan-dori, Okayama-shi (site of Dowa Electronics Materials Okayama Co., Ltd.)
5. Timetable: July 2008: New company established and construction commences.
April 2009: Operations commence.

BDF: Biodiesel fuel is a generic term given to fuel for diesel engines that is produced from vegetable-based oils. It is one kind of biomass energy. Because it can be used as a substitute for fossil fuels, it is attracting attention as a liquid fuel that can contribute to a reduction in greenhouse gases.