

DOWA News

Waste Melting and Recycling Company Acquired

A New Facility in Kanto to Expand Treatment Menu and Realize Zero Emissions

TOKYO, July 30, 2009 – Dowa Eco-System Co., Ltd. (4-14-1 Soto Kanda, 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), today resolved to conclude an agreement to take over the businesses of Meltec Co., Ltd. (2333-29 Atago, Yana, Oyama, Tochigi; Capital: ¥90 million; President: Takashi Sugano; hereinafter “Meltec”), which engages in melting and recycling waste, from ShinMaywa Industries, Ltd. (1-1 Shinmeiwa-cho, Takarazuka, Hyogo; Capital ¥15,900 million; President: Tadashi Kaneki), which holds 100% of the shares of Meltec. Dowa Eco-System will acquire 100% of the shares of a new company that will take over all businesses of Meltec. The shares are planned to be transferred on December 1, 2009.

Meltec melts general and industrial waste, especially incinerated ash generated from the clean centers (incinerators) of local governments in the Kanto region, at high temperatures of 1,800°C, and recycles it. In the process of melting, the company recovers valuable metal (such as gold and copper) in incinerated ash as molten metal. The company also manufactures artificial aggregate that is used as base course material in road construction. The artificial aggregate of Meltec has been certified as an environmentally-friendly product of Tochigi Prefecture. In the waste melting and recycling business, Meltec has sophisticated operation technologies and excellent plants and enjoys the confidence of the government and its customers.

The Dowa Group owns facilities for the incineration and final processing of waste material in Akita, Chiba, and Okayama Prefectures, and in Kita-Kyushu City. The Group is expanding its environmental and recycling business across the country. Establishing material recycling and realizing zero emissions have become required in recent years, in addition to the proper treatment of waste. The acquisition of Meltec is a broad-based response by the Group to the needs of its customers and society, by establishing a new facility in the Kanto region and expanding and enhancing Dowa’s integrated processing system involving valuable metal recovery from molten metal and incinerated ash recycling.

In the business restructuring reform, the environmental and recycling business is positioned as the core business and the Dowa Group will continue its focused investment approach. Aiming to become the top environmental and recycling company not only in Japan, but also in Asia, the Dowa Group is accelerating its investment in management resources in the Medium-Term Business Plan (from FY2009 to FY2011), which commenced in this April.

Profile of Meltec (as of March 31, 2009)

1. Trade Name: Meltec Co., Ltd.
2. Location: 2333-29 Atago, Yana, Oyama, Tochigi
3. Established: June 1995
4. Capital: ¥90 million
5. Employees: 21 persons
6. Sales, Throughput: ¥1.2 billion (FY 2008), 29,948 tons per year (FY 2008)
7. Main Business: Melting and recycling of incinerated ash, manufacture and sale of artificial aggregate
8. Shareholder: 100% owned by ShinMaywa Industries, Ltd. (listed on the First Section of the Tokyo Stock Exchange and the First Section of the Osaka Securities Exchange)