

New base for household appliances recycling business

opens in Jiangxi Province, China

Strengthening and expanding business infrastructure for future development

Dowa Eco-System Co., Ltd. (14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo; Capital: 1,000 million yen; President: Yoshito Koga), a subsidiary of Dowa Holdings Co., Ltd. (same location; Capital: 36,400 million yen; President: Masao Yamada) has reached an agreement with Yujiang County Resource Management Co., Ltd. (Yingtian City, Jiangxi Province, China; President: Jianjun Chen), a company associated with the government of Jiangxi Province, China, to establish a new company targeted at the recycling business for waste household electrical appliances and waste electronic devices.

The Chinese recycling law to promote the adequate recycling of used or end-of-life household electrical appliances will take effect on January 1, 2011. These rules are established with the objective of ensuring that waste electronic devices (televisions, refrigerators, washing machines, air conditioners, computers) will be processed appropriately. DOWA has made a judgment that, by utilizing the technical expertise that we have cultivated through our experience in the environmental recycling business in Japan, it can expand its business in response to the need for resource re-use and recycling within China. Accordingly, it has made the decision to enter the home appliance recycling plant in Jiangxi, as its third base in China after Suzhou and Tianjin.

In making this expansion, DOWA's achievements and technology in the environmental recycling business in both China and Japan has been well regarded by local governments and other parties. The expectation is that DOWA will be able to further strengthen and expand its business infrastructure in cooperating with the existing precious metal recycling business at Dowa Environmental Management Co., Ltd. in Suzhou.

DOWA's environmental recycling division will continue to strengthen its business infrastructure, focusing in particular on the Asian region, where there is a growing momentum for the appropriate processing of waste materials and the effective use of resources.

Profile of the Chinese joint venture company

- Company name: JIANGXI DOWA ENVIRONMENTAL MANAGEMENT CO., LTD.
(provisional name)
- Capital: 30 million RMB (about 400 million yen)
- Investment ratio: Dowa Eco-System Co., Ltd. 90 %
Yujiang County Resource Management Co., Ltd. 10%
- Planned location: Yujiang County, Yingtian City, Jiangxi Province, China
- Business description: Recycling e-waste (waste home electronic appliances and waste electronic

devices)

- Establishment date: Aiming for January 2011
- Main products recovered: Waste home electronic appliances (televisions, refrigerators, washing machines, air conditioners, computers)

Profile of the joint venture partner

- Company name: Yujiang County Resource Management Co., Ltd.
- Business description: Buying and selling various recycled raw materials
- Capital: 10 million RMB