

Establishment of a New Heat Treatment Company in Thailand

TOKYO, April 2, 2007—Dowa Thermotech Co., Ltd., a subsidiary of Dowa Holdings Co., Ltd., today established Dowa Thermotech (Thailand) Co., Ltd., taking a step forward in the development of its heat treatment business in Asia. The new firm will offer heat treatment services, and will manufacture and maintain heat treatment equipment.

The new company is located in Eastern Seaboard Industrial Estate, which is situated in southern Thailand's Rayong Province. It will perform heat treatment of auto parts and other components on consignment, and offer maintenance services for heat-treatment equipment. The progress of Japanese auto makers in establishing overseas operations has been remarkable, and amidst a strong outcry for local procurement in Thailand, Dowa Thermotech is working to become one of Thailand's top manufacturers, just as it is in Japan, based on its policy of vigorous expansion overseas. First, in December 2007 the new firm will offer maintenance services and surface treatment of dies and molds, then, in the summer of 2008, it plans to expand operations to include carburizing, nitrocarburizing, and other types of processing.

Looking toward the future, Dowa Thermotech (Thailand) will serve as a foothold for a Southeast Asian heat-treatment-equipment manufacturing base. It will allow the expansion of marketing channels in Vietnam, where the market for the automobile industry is showing substantial growth, and sales of ¥400 million are forecast.

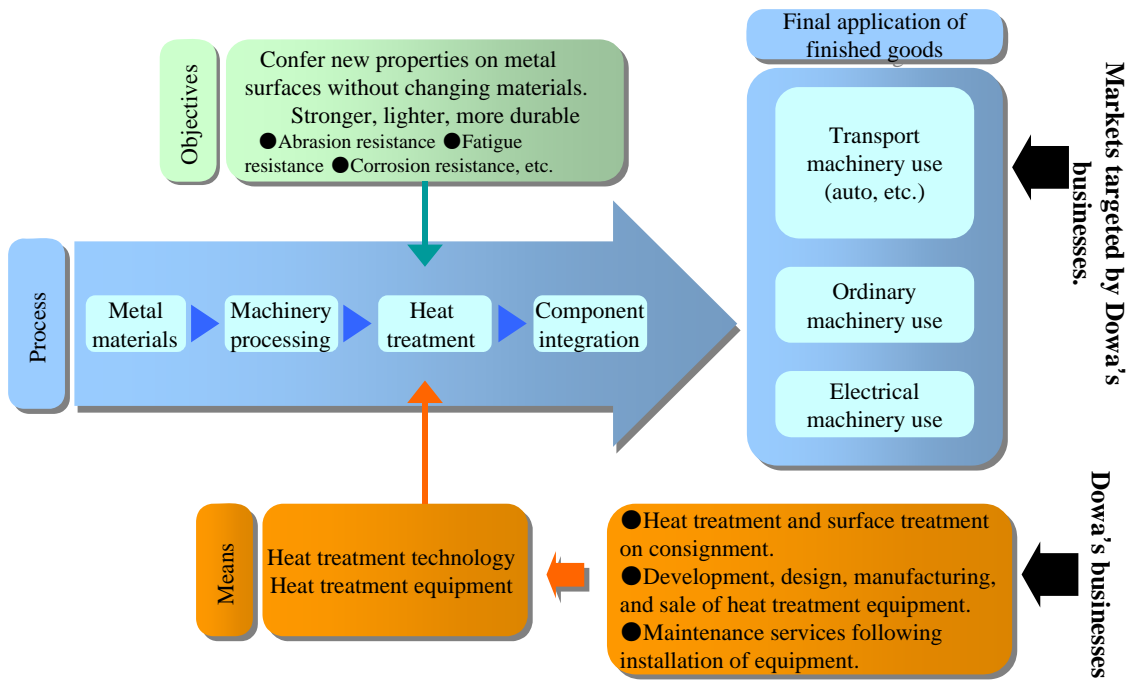
Dowa Thermotech is already one of the top firms in Japan's heat treatment business, with eight domestic plants and two overseas. It is establishing new manufacturing bases in this flourishing automobile market in an effort to increase its global market share. Dowa Thermotech last year acquired control of CEMM Co., Ltd., and acquired a new plant site in Gifu Prefecture. In addition, the Ohta Plant in Gunma Prefecture is scheduled to commence operations this fall. In the future, the company will continue to pursue a vigorous investment program both in Japan and overseas.

Overview of the Thai Subsidiary

Company name: Dowa Thermotech (Thailand) Co., Ltd.
President: Mineo Ogino
Capital: THB 60 million (approximately ¥210 million)
Parent Company: Dowa Thermotech Co., Ltd. (100%)
Address: Eastern Seaboard Industrial Estate, Rayong Province, Thailand
Principal activities: (1) Heat treatment (carburizing, nitrocarburizing, hard coating) on consignment.
(2) Maintenance services for heat treatment equipment and peripheral facilities.
(3) Manufacturing of heat treatment equipment and peripheral facilities (planned)
Established: April 2007
Commencement of operations: December 2007

Note: In October 2006, Dowa Mining Co., Ltd., changed its name to Dowa Holdings Co., Ltd., and became a holding company. Dowa Thermotech is engaged in the heat treatment business, and is a wholly-owned operating company of Dowa Holdings.

1. The heat treatment business



2. Location

Eastern Seaboard Industrial Estate (Rayong Province)

90 to 120 minutes by car from Bangkok.

