

## **Dowa Holdings Announces Transfer of Assets Belonging to Akita Geothermal Energy Co., Ltd.**

TOKYO, July 26, 2007 – Dowa Holdings Co., Ltd. announced today that it has agreed to the transfer of assets held by its wholly owned subsidiary, Akita Geothermal Energy Co., Ltd., to Tohoku Hydropower & Geothermal Energy Co., Ltd., a subsidiary of Tohoku Electric Power Co., Ltd.

Akita Geothermal Energy Co., Ltd., was established in 1986. It collaborated with Tohoku Electric Power Co., Ltd., on the development of geothermal resources in the Uenotai area (which is located in the Takamatsu district of Yuzawa City, Akita Prefecture), and in 1994 the Uenotai Geothermal Power Station commenced operations. The Uenotai Geothermal Power Station is an integrated facility with geothermal steam being produced and supplied by Akita Geothermal Energy Co., Ltd., and electricity being generated by Tohoku Electric Power Co., Ltd., which owns the generating equipment.

The new accord is one element in Dowa's Business Structure Reform Plan (a medium-term management plan). It meshes well with the facts that Dowa Holdings has been considering exiting its non-core businesses, and Tohoku Electric Power was seeking to secure a stable supply of steam and efficient operations of its equipment. The details will now be discussed, and on the basis of a finalized assets transfer agreement between Akita Geothermal Energy and Tohoku Hydropower & Geothermal Energy, the assets are expected to be transferred on January 1, 2008.

Dowa Holdings will continue to strengthen and expand its five core businesses in the fields of nonferrous metals, environmental management & recycling, electronics materials, metal processing and heat treatment, by ensuring steady progress in the selection and concentration of its businesses.

### Overview of Akita Geothermal Energy Co., Ltd.:

1. Company name: Akita Geothermal Energy Co., Ltd.
2. Type of business: The supply of geothermal steam and hot water
3. Established: January 1986
4. Paid-in capital: 300 million yen (as of June 30, 2007)
5. Sales: Approx. 800 million yen (fiscal 2006 ended March 2007)
- (6) Number of employees: 18 (as of June 30, 2007)

### Overview of Tohoku Hydropower & Geothermal Energy Co., Ltd.

1. Company name: Tohoku Hydropower & Geothermal Energy Co., Ltd.
2. Type of business: The supply of geothermal steam and hot water, and the wholesale supply of electricity from hydroelectric and geothermal power generation
3. Established: October 1984
4. Paid-in capital: 2 billion yen (as of June 30, 2007)
5. Sales: Approx. 4.5 billion yen (fiscal 2006 ended March 2007)
6. Number of employees: 76 (as of June 30, 2007)