

## **Dowa to Launch Major Operation to Recover Zinc from Iron and Steel Dust**

### **New Subsidiary to Be Established in Akita Will Lend Impetus to Zinc Recycling**

TOKYO, March 26, 2008 – Dowa Metals & Mining Co., Ltd., a subsidiary of Dowa Holdings Co., Ltd. today announced that it has decided to establish a new company that will process recycled materials to recover zinc in Akita City.

Japan's iron and steel producers are proceeding with the construction of facilities for the recycling of the metal dust that is produced in their own operations, aiming to reuse iron resources and reduce CO<sub>2</sub> emissions, and it is expected that there will be an increase in the volume of materials needing recycling that include zinc. Dowa Metals & Mining will begin the full-scale treatment of iron and steel dust by building specialized facilities, and promote the recycling of zinc among iron and steel producers. It also hopes to improve the profitability and stability of its zinc business by securing new sources of zinc in this way.

Construction of the recycling facility is scheduled to get underway in September 2008, with operations expected to commence in January 2010. The plant will treat enough material to produce 20,000 tons of zinc per year, and depending on demand, the scale of the facility will be further increased. Dowa Metals & Mining also completed last year the construction of new smelter facilities capable of recycling in the Kosaka district of Akita Prefecture, and the company is committed to boosting the ability of its plants to smelt recycled materials. By proceeding with a large-scale zinc recycling business based on iron and steel dust, it will be further strengthening its business base in this area.

Dowa Metals & Mining plans to apply for the "Akita Appeal Enterprises" certification and for grants from Akita Prefecture and Akita City in relation to this new enterprise.

#### Overview of new company and construction of facilities

1. Company name: Akita Zinc Recycling Co., Ltd.
2. Location: 217-9, Furumichi Shimokawabata, Iijima, Akita-shi
3. Paid-in capital: 100 million yen (100% owned by Dowa Metals & Mining Co., Ltd.)
4. Representative: Hitoshi Masuda
5. Key facilities: Secondary materials receiving facility; materials leaching and zinc refining facility; lead and copper recovery facility; water treatment plant.
6. Operations commence: January 2010 (expected)