

# Investing in Industrial Waste Company in Kanto

## Strengthening Alliances to Expand Waste Management Systems in Kanto Region

TOKYO, June 11, 2009 - A subsidiary of Dowa Holdings Co., Ltd. (4-14-1 Soto Kanda, Chiyoda-ku, Tokyo; Capital: ¥36,400 million; President: Masaki Kohno), Dowa Eco-System Co., Ltd. (same location; Capital: ¥1,000 million; President: Yoshito Koga) and Akagi Kouyu Co., Ltd. (1668 Ohmama, Ohmama-chou, Midori-shi, Gunma-ken; President: Yutaka Matsubara; hereinafter, Akagi Kouyu), an industrial waste management business, today concluded a 20% investment contract by subscription involving a private placement and a transfer of a number of outstanding shares (stock transfer date: June 18, 2009) held by the parent company, Japan Metals & Chemicals Co., Ltd. (1-17-25 Shinkawa, Chuo-ku, Tokyo; Capital ¥100 million; President: Shukuro Yonetsu).

Akagi Kouyu is primarily engaged in the collection and transportation of industrial waste materials, incineration disposal and waste oil recycling. The company also cleans all types of tanks and oil water separators, and performs leak testing on tanks and pipes. The company is making every effort to achieve zero emissions by recycling incineration ash as gravel or artificial sand while selling waste oil treated by the oil separation process as recycled oil. Akagi Kouyu will use the capital raised by the present allocation of new shares to a third party to invest in equipment for environmental improvement.

The Dowa Group owns facilities for incineration and final processing of waste material in Akita, Chiba and Okayama Prefectures, and in Kita-Kyushu City. The company is expanding its environmental and recycling business across the country. The present investment is a broad-based response by the Group to the needs of society and its customers by securing an alliance partner in the Kanto region, strengthening collaboration with its Chiba location where a new incinerator was completed in April this year, upgrading its network of business locations as well as adding a menu of new processing choices to the Dowa integrated processing system for waste materials.

In the business restructuring, the environmental and recycling business is positioned as the core business and the Dowa Group will continue its focused investment approach. Aiming for the top environmental and recycling companies not only in Japan but also in Asia, the Dowa Group is further accelerating investment in management resources.

### Akagi Kouyu Summary (as of end March 2009)

1. Trade Name: Akagi Kouyu Co., Ltd.
2. Location: 1668 Ohmama, Ohmama-chou, Midori-shi, Gunma-ken
3. Established: December 1969
4. Capital: ¥60 million
5. Employees: 52 persons
6. Sales • Throughput: ¥941 million (end December 2008) • 26,600 t/year (end December 2008)
7. Main Business: Waste material collection and transportation, incineration processing, sales of recycled heavy oil
8. Shareholder: 100% owned by Japan Metals & Chemicals Co., Ltd.