

DOWA Holdings Co., Ltd.

DOWA to Launch Major Construction to Recover Zinc from Iron and Steel Dust

DOWA Metal and Mining Co., Ltd., a subsidiary of DOWA Holdings Co., Ltd., established Akita Zinc Recycling Co., Ltd. at March last year that would process recycled materials to recover zinc in Akita City, but due to the economic crisis last year, we reconsidered the construction schedule of the recycling facility. (It already announced to establish Akita Zinc Recycling Co., Ltd. at March 26, 2008.)

Although the business environment is still severe, demands are gradually recovering, so DOWA Metal and Mining decides to launch the construction with the aid of Akita Prefecture and Akita city.

1. The Business Objective

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 CO₂ emissions, and it is expected that there will be an increase in the volume of materials needing recycling that include zinc. DOWA Metal & 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.

2. Zinc Recycling Business Summary

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| (1)Subject of business | Akita Zinc Recycling Co., Ltd.
(100% owned by DOWA Metal & Mining Co., Ltd.) |
| (2)Target of Recycling Materials | The Metal Dust include Zinc, that is produced from Iron and Steel Producers |
| (3)Production Capacity | 20,000 tons of zinc per year |
| (4)Amount of Investment | Approx. 5billion yen |
| (5)Period of Construction | Total 14 months (from October 2009 to November 2010) |
| (6)Operations Commence | December 2010 (expected) |

3. Overview of Akita Zinc Recycling Co., Ltd.

- Establishment: March 19, 2008
- Location: 217-9, Furumichi Shimokawabata, Iijima, Akita-shi
- Paid-in capital: 100 million yen
- Representative: Hitoshi Masuda