

January 31, 2012

Tanaka Precious Metals
Tanaka Holdings Co., Ltd.

Tanaka Precious Metals Establishes Production Subsidiary in Taiwan to Begin Manufacturing of Copper Bonding Wire on February 1

Establishing manufacturing structure of four production centers worldwide and strengthening BCP

Tanaka Holdings Co., Ltd. (a company of Tanaka Precious Metals, Head office: Chiyoda-ku, Tokyo; President & CEO: Hideya Okamoto) today announced that Tanaka Denshi Kogyo K.K. (Head office: Chiyoda-ku, Tokyo; President & CEO: Yasushi Kasahara) of Tanaka Precious Metals, which boasts the world's leading share in the manufacture of bonding wire (wiring material), will establish a production subsidiary for manufacturing copper bonding wire (hereinafter "copper wire") in Taiwan, and will begin manufacturing on February 1.

Tanaka Electronics Taiwan Co., Ltd., the new company establishing a production center in Zhongli City in Taoyuan County of Taiwan, will have capital of TWD285 million (approx. 730 million yen), and will be Tanaka Denshi Kogyo's fourth wire production center worldwide, following on from Japan, Singapore and China (Hangzhou). In the Taiwanese market with rapidly increasing demand for copper wire, transactions with semiconductor manufacturers such as subcontractors in the semiconductor assembly process are increasing, and the company aims to ship 100 million meters of wire per month by 2014.

With gold prices at a high level, there is a growing trend of using copper wire as a substitute for gold wire that has previously been widely used as bonding wire for connecting semiconductor integrated circuits and external electrodes. It is estimated that approximately 1 billion meters of bonding wire is produced per month worldwide. Copper wire already accounts for around 20 percent of all bonding wire at present, and as substitution of gold wire mainly in emerging economies in Asia began to accelerate in 2010, this proportion may increase to around 40 percent by 2013.

Tanaka Denshi Kogyo has previously established production centers in China and Singapore to meet demand for copper wire. Until now, only product sales and technical support functions were established in Taiwan, and bonding wire manufactured in Japan and Singapore was provided to Taiwanese customers. Tanaka Electronics Taiwan was established based on



Copper wire produced by
Tanaka Denshi Kogyo

the decision that sales channels could be expanded with the acceleration of the transition to copper wire in Taiwan. In addition to being able to establish a speedy product supply system more deeply rooted in local customers, this will also enable the company to strengthen its BCP (Business Continuity Plan) for dealing with emergencies such as natural disasters and damage to social infrastructure by dispersing risk throughout the supply chain.

Tanaka Denshi Kogyo has the world's leading share in bonding wire as a whole and gold wire. Through the establishment of Tanaka Electronics Taiwan, Tanaka Denshi Kogyo aims to expand its share in copper wire, and gain the world's leading share in copper wire by 2014.

<Overview of Tanaka Electronics Taiwan>

Company name: Tanaka Electronics Taiwan Co., Ltd.

Representative: Mitsuyoshi Ishii, President

Location: Zhongli City, Taoyuan County, Taiwan (Company registered in Taipei City, Taiwan)

Start of production: February 2012

Capital: TWD285 million (approx. 730 million yen)

Telephone: +886-3-434-0700

Business: Manufacturing of copper bonding wire

■ Tanaka Holdings Co., Ltd. (Holding company of Tanaka Precious Metals)

Headquarters: 22F, Tokyo Building, 2-7-3 Marunouchi, Chiyoda-ku, Tokyo

Representative: Hideya Okamoto, President & CEO

Founded: 1885

Incorporated: 1918

Capital: 500 million yen

Employees in consolidated group: 3,456 (FY2010)

Net sales of consolidated group: 891.0 billion yen (FY2010)

Main businesses of the group:

Manufacture, sales, import and export of precious metals (platinum, gold, silver, and others) and various types of industrial precious metals products. Recycling and refining of precious metals.

Website: <http://www.tanaka.co.jp> (Tanaka Precious Metals),

<http://pro.tanaka.co.jp/en> (Industrial products)

■ Tanaka Denshi Kogyo K.K.

Head office: 22F Tokyo Building, 2-7-3 Marunouchi, Chiyoda-ku, Tokyo

Representative: Yasushi Kasahara, President & CEO

Incorporated: 1961

Capital: 1,880 million yen

Employees in consolidated group: 124 (FY2010)

Net sales of consolidated group: 36,37 billion yen (FY2010)

Businesses: Manufacture of high-purity bonding wire (gold, gold alloy, aluminum, aluminum-silicon, copper, etc.)

Website: <http://www.tanaka-bondingwire.com/>

<About the Tanaka Precious Metals>

Established in 1885, the Tanaka Precious Metals has built a diversified range of business activities focused on the use of precious metals. On April 1, 2010, the group was reorganized with Tanaka Holdings Co., Ltd. as the holding company (parent company) of the Tanaka Precious Metals. In addition to strengthening corporate governance, the company aims to improve overall service to customers by ensuring efficient management and dynamic execution of operations. Tanaka Precious Metals is committed, as a specialist corporate entity, to providing a diverse range of products through cooperation among group companies.

Tanaka Precious Metals is in the top class in Japan in terms of the volume of precious metal handled, and for many years the group has developed and stably supplied industrial precious metals, in addition to providing accessories and savings commodities utilizing precious metals. As precious metal professionals, the Group will continue to contribute to enriching people's lives in the future.

The eight core companies in the Tanaka Precious Metals are as follows.

- Tanaka Holdings Co., Ltd. (pure holding company)
- Tanaka Kikinzoku Hanbai K.K.
- Tanaka Denshi Kogyo K.K.
- Tanaka Kikinzoku Jewelry K.K.
- Tanaka Kikinzoku Kogyo K.K.
- Tanaka Kikinzoku International K.K.
- Electroplating Engineers of Japan, Limited
- Tanaka Kikinzoku Business Service K.K.