

July 11, 2011

Tanaka Precious Metals
TANAKA HOLDINGS Co., Ltd.

**Tanaka Precious Metals to Start Producing Copper Bonding Wire in 3 Locations
Supply Network Risk Diversification and Doubling Production Capacity**

Starts production in China, increases production in Singapore, and introduces advanced new products

TANAKA HOLDINGS Co., Ltd. (Holding company of Tanaka Precious Metals, Head office: Marunouchi, Chiyoda-ku, Tokyo; President & CEO: Hideya Okamoto) today announced that Tanaka Denshi Kogyo K.K. (Head office: Chiyoda-ku, Tokyo; Representative Director, President & CEO: Yasushi Kasahara), which boasts the world's leading share in bonding wire manufacturing, has decided to produce copper bonding wire in Japan, China and Singapore, enabling more stable product supply while diversifying the risk of natural disaster and damage to social infrastructure in the product supply chain.

With the investment of about JPY 1 billion, the company starts producing copper wire in China Plant located in Hangzhou, and triples the production capacity of the Singapore Plant, to form a 3-plant production network with the existing Saga Plant located in Yoshinogari, Saga City, Japan. It will double the companywide current production capacity up to 200 million meters per month by the end of fiscal 2011. Along with this production increase, the company starts producing a new CLA-1A" copper wire product, which could lower the running costs against current products, and has improved bondability.

Demand for copper wire will expand to full-scale

As the gold price soaring, gold is being replaced by cheaper copper in bonding wire used to connect the integrate circuits in semiconductors to external electrodes. Conventional copper wire is rapidly deteriorated by surface oxidization, resulted to poor quality stability, but by the improvement of processing technologies including surface treatment have improved the corrosion resistance and stability of recent copper wire. Demand expansion for copper wire is accelerating around the emerging Asian countries such as China, where low-cost products are in high demand. It is believed that 1.0 to 1.2 billion meters of bonding wire is currently produced each month, and although copper wire only accounts for around 15 percent, but this is expected to expand to approximately 40 percent in 2013.

Toward the significant demand expansion of the copper wire, Tanaka Denshi Kogyo aims to capture the increasing demand of the semiconductor in the Asia region, and further increase its market share by strengthening the copper wire supply system and product development in and outside Japan.

New copper wire products also introduced

The new CLR-1A copper wire product is an improved version of CLR-1 copper wire, formed with a palladium film over the copper surface to improve corrosion resistance and bondability. The lifespan of capillaries (fine tubes for wire passing through) is increased by 75 percent (compared to existing Tanaka products), and the bondability at second bonding, which determines quality stability is also improved.

Tanaka Denshi Kogyo manufactures six types of copper wire including CLR-1A, and aims for copper wire sales to reach JPY 800 million per month by 2013. The company will continue to ascertain the market trends and develop technologies while strengthening sales in Japanese and foreign markets.



“CLR-1A”

<Press inquiries>

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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: 3441 (FY2009)

Net sales of consolidated group: 710.2 billion yen (FY2009)

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> (Industrial products)

Tanaka Denshi Kogyo K.K.

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

Representative: President & CEO Yasushi Kasahara

Incorporated: 1961

Capital: 1,880 million yen

Employees in consolidated group: 133 (FY2009)

Net sales of consolidated group: 39,98 billion yen (FY2009)

Business: Manufacturing of various bonding wires

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 Group. 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 Kogyo K.K.
- Tanaka Kikinzoku Hanbai K.K.
- Tanaka Kikinzoku International K.K.
- Tanaka Denshi Kogyo K.K.
- Electroplating Engineers of Japan, Limited
- Tanaka Kikinzoku Jewelry K.K.
- Tanaka Kikinzoku Business Service K.K.