

January 15, 2020

TANAKA PRECIOUS METALS

TANAKA HOLDINGS Co., Ltd.

TANAKA Establishes New Base in India

The group will be better positioned to respond to demand in the automotive catalyst, semiconductor, and hydrogen energy markets

New base will strengthen sales activities in the Middle East and Africa based in India

TANAKA HOLDINGS Co., Ltd. (Head office: Chiyoda-ku, Tokyo; Representative Director & CEO: Akira Tanae) announced that TANAKA KIKINZOKU KOGYO K.K. (Head office: Chiyoda-ku, Tokyo; Representative Director & CEO: Akira Tanae), which operates the TANAKA PRECIOUS METALS manufacturing business, will establish TANAKA KIKINZOKU (INDIA) Private Limited in Mumbai, India on December 23, 2019, as a new base of operations for sales strategies in India, the Middle East and Africa.



Building where TANAKA KIKINZOKU (INDIA) Private Limited is located

Until now, sales activities in India, the Middle East and Africa have mainly been conducted by TANAKA KIKINZOKU (SINGAPORE) Private Limited. The newly established subsidiary will aim to expand sales channels for precious metal products in the growing markets in India, the Middle East and Africa and enable more strategic sales activities. Mumbai, where the new office is established, is located in the geographical center of India, enabling quick and flexible support for customers throughout India. Moreover, TANAKA will be able to greatly increase sales activities in the Middle East and Africa region. The new Indian base aims to achieve annual sales of 3 billion yen five years from now in 2024.

In the current Indian market, there is movement from China in the manufacturing industry against the backdrop of US-China trade friction and increasing wages. On September 20, 2019, the Indian government announced a significant corporate income tax cut. The effective tax rate is expected to go from 35% to 25% and the manufacturing industry established after October 1, 2019 is expected to be taxed at the world's lowest level of 15%. Further increases in manufacturing demand in India are expected in the future.

In addition, regarding automotive catalysts in India, the Bharat Stage 6 (BS-6) emission standards (equivalent to the Euro 6 European emission standards) are scheduled to begin in April 2020. Demand for a stable supply of precious metals required for exhaust gas purification, including automotive precious metal catalyst compounds, is expected to increase, and TANAKA PRECIOUS METALS, a global precious metal specialist manufacturer, is able to achieve stable supply of precious metal materials to the Indian market.

In the energy field, India has traditionally relied heavily on oil and other fossil fuels, but in recent years, environmental awareness has increased and global trends including the shift to clean energy and combined technologies are gaining popularity. Precious metal products used for environmental measures, including TANAKA fuel cell catalysts, which have the top share in the global market, are expected to be used in a wide range of applications in India to realize a next-generation energy society that uses hydrogen energy and renewable energy.

In addition, with regards to the semiconductor market, which has mainly been limited in China and other countries, the National Policy on Electronics 2019 (NPE 2019), a government policy that aims to make India the hub of global electronic equipment system design and manufacturing (ESDM), was announced as a successor to the National Policy on Electronics 2012 (NPE 2012) announced in 2012. The Indian government has set a new goal to achieve sales of \$400 billion across the entire value chain of electronic equipment design and manufacturing by 2025, and demand for precious metal products required for semiconductors is expected to increase further.

Further, the branch office is also looking forward to joint research with companies, universities, and other research institutions in the vicinity.

■Overview

Company Name: TANAKA KIKINZOKU (INDIA) Private Limited

Representative: Part-time director Tsuneo Sato, Full-time director Yutaka Ito

Location: AccessWork, Level 4, C Wing, Delphi, Hiranandani Business Park, Orchard Avenue, Powai, Mumbai, Maharashtra 400076, India

Established: December 23, 2019

Employees: 5 (one Japanese, four local staff)

Key operations: Sales of the precious metal products of TANAKA PRECIOUS METALS

Capital: 40 million rupees (Approx. 65 million yen)

Shareholders: TANAKA KIKINZOKU KOGYO K.K. (99.9%)

■**TANAKA HOLDINGS Co., Ltd. (Holding company of TANAKA PRECIOUS METALS)**

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

Representative: Akira Tanae, Representative Director & CEO

Founded: 1885

Incorporated: 1918*

Capital: 500 million yen

Employees in consolidate group: 5,123 (FY2018)

Net sales of consolidated group: 925,259 million yen (FY2018)

Main businesses of the group:

Strategic and efficient group management and management guidance to group companies as the holding company at the center of TANAKA PRECIOUS METALS.

Website: <https://www.tanaka.co.jp/english/>

* TANAKA HOLDINGS adopted a holding company structure on April 1, 2010.

■**TANAKA KIKINZOKU KOGYO K.K.**

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

Representative: Akira Tanae, Representative Director & CEO

Founded: 1885

Incorporated: 1918

Capital: 500 million yen

Employees; 2,332 (including overseas subsidiaries) (as of March 31, 2019)

Sales: 765,869,423,000 yen (FY2018)

Main businesses:

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

Website: <https://tanaka-preciousmetals.com>

<About the TANAKA PRECIOUS METALS>

Since its foundation in 1885, TANAKA PRECIOUS METALS has built a diversified range of business activities focused on precious metals. TANAKA is a leader in Japan regarding the volumes of precious metals handled. Over the course of many years, TANAKA PRECIOUS METALS has not only manufactured and sold precious metal products for industry but also provided precious metals in such forms as jewelry and resources. As precious metals specialists, all Group companies within and outside Japan work together with unified cooperation between manufacturing, sales, and technological aspects to offer products and services. Besides, to make further progress in globalization, TANAKA KIKINZOKU KOGYO welcomed Metalor Technologies International SA as a member of the Group in 2016.

As precious metal professionals, TANAKA PRECIOUS METALS will continue to contribute to the development of an enriching and prosperous society.

The five core companies in the TANAKA PRECIOUS METALS are as follows.

- TANAKA HOLDINGS Co., Ltd. (pure holding company)
- TANAKA KIKINZOKU KOGYO K.K.
- TANAKA DENSHI KOGYO K.K.
- ELECTROPLATING ENGINEERS OF JAPAN, LIMITED
- TANAKA KIKINZOKU JEWELRY K.K.