May 29, 2012
Tanaka Precious Metals
Tanaka Holdings Co., Ltd.

Tanaka Precious Metals Records Highest Shipment Volume of Fuel Cell Catalysts in FY2011

- **Home-use up by approx. 67.2% over the previous year's with full-scale spread of ENE-FARM, driving increase in shipment volume**
- **Research and development aimed at initial spread of automotive fuel cells has progressed, and shipment volume is steady**

Tanaka Holdings Co., Ltd. (a company of Tanaka Precious Metals, Head office: Chiyoda-ku, Tokyo; President & CEO: Hideya Okamoto) today announced that Tanaka Kikinzoku Kogyo K.K. (Head office: Chiyoda-ku, Tokyo; President & CEO: Hideya Okamoto), which boasts the world's leading share in fuel cell catalysts, had posted record shipment volume of fuel cell catalysts in FY2011 (April 2011 - March 2012).

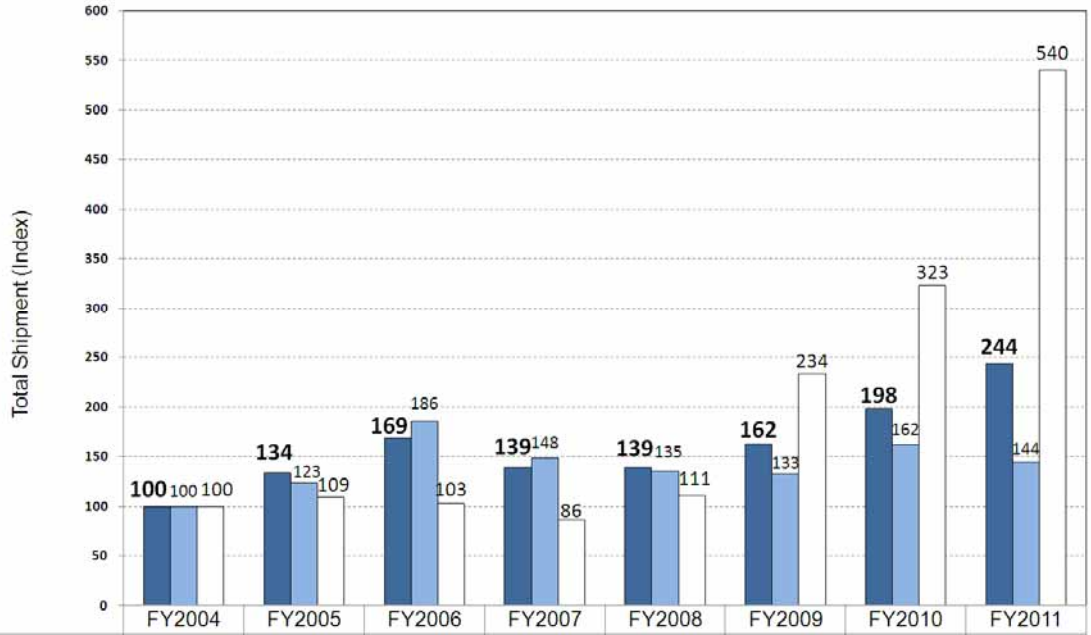
Using the shipment volume in FY2004(*1) as an index of 100, shipment volume reached its highest level on record at 244 in FY2011, significantly surpassing the previous record level (198) set in FY2010 with an increase of 23.2%.

In particular, the shipment volume of catalyst used in ENE-FARM fuel cells for home use rose by approximately 67.2% compared to FY2010 (323) to 540, significantly increasing the total shipment volume. Amid the recent rise in social awareness about home generation of electricity and power saving, the announcement of the compact and affordable new ENE-FARM was one of the positive marketing activities carried out by manufacturers in FY2011, accelerating the spread of the technology in the market, leading to an increase in catalyst demand.

In addition, the shipment volume of catalysts used in fuel cell vehicles (FCV) was 144 in FY2011. After the shipment volume of catalysts for automotive use peaked at 186 in FY2006, demand subsided and shipment volume has been around the 150 mark since. Automobile manufacturers are continuing to conduct research and development aimed at the practical application of the technology with 2015 at the target for the start of popularization of FCVs, and catalyst demand has been steady as a result.

Shipment volume of catalysts for fuel cell use

*** Index with the shipment volume of FY2004 (April 2004 - March 2005) as an index of 100**
*** Total shipment volume includes that for mobile use.**



	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
■ Total shipment volume	100	134	169	139	139	162	198	244
■ Automotive use	100	123	186	148	135	133	162	144
□ Home use	100	109	103	86	111	234	323	540

■ Catalysts for home use increase by 67.2% from the previous year to reach a record level.
The full-scale spread of ENE-FARM drove up demand.

Looking at the total shipment volume by applications, the shipment volume of catalysts for home use rose by 67.2% compared to FY2010 (323) to 540 in FY2011, reaching the highest level on record. The shipment volume of catalysts for home use has increased steadily since subsidies offered by the national government along with gas and oil companies led to a 110.8% increase from the FY2008 level of 111 to 234 in FY2009, when the ENE-FARM was first released, and this then increased by 38.0% from the FY2009 level to reach 323 in FY2010. In FY2011, the release of a new model of the ENE-FARM and concerns over power shortages in summer and winter led to a rapid expansion of the market, which is believed to have brought this remarkable growth.

There has recently been a rise in social awareness of home generation of electricity and power saving, and it is necessary to secure stable power. After the national government's subsidy program for partially supporting the cost of purchasing ENE-FARM units was implemented in FY2009, utilization of the program increased rapidly in FY2011(*2). ENE-FARM, which is able to provide stable power, is expected to continue to spread at an accelerated rate, and catalyst demand is anticipated to increase further in the future.

■ Catalysts for automotive use were recorded at 144. The level remains stable with progress being made in research and development aimed at practical application.

The shipment volume of catalysts for automotive use was recorded at 144 in FY2011. Since the highest level was recorded at 186 in FY2006 when R&D became active, the level has repeatedly made minor fluctuations in both directions over the past few years, at 133 in FY2009 and 162 in FY2010. Catalyst manufacturers are engaged in research and development for resolving the three technical issues of improved durability, higher performance and lower cost of fuel cells, and research and development demand is expected to continue to steadily increase ahead of 2015 when FCVs to allegedly gain popularity.

Tanaka Kikinzoku Kogyo is working with clients to conduct technical development aimed at improving the durability and reducing the amount of platinum used by increasing the performance of fuel cell catalysts. We will continue to quickly ascertain future demand for fuel cells, and establish a technology development system and a production system for responding to the needs of customers, while utilizing recycling technology for platinum, which is a scarce precious metal resource, to offer total support aimed at the spread of fuel cells.

(*1) FY2004 was the year the field testing of fuel cells for home use was launched as a national project (until FY2008).

(*2) Applications were filed for 18,067 ENE-FARM units in FY2011 (tabulated for the entire year until April 4, 2012) in the national government's subsidy program for partially covering the cost of purchase. Subsidies were granted for 4,985 units in FY2010 and 5,030 units in FY2009. (Data from the Fuel Cell Association)

■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/english

■Tanaka Kikinzoku Kogyo K.K.

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: 1,532 (FY2010)

Sales: 865.4 billion yen (FY2010)

Businesses:

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://pro.tanaka.co.jp/en

<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.