

August 23, 2012

Tanaka Precious Metals  
Tanaka Holdings Co., Ltd.

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**South Korean Heesung Metal Commences Production and Supply of Liquid Crystal Driver IC Plating Solution from Electroplating Engineers of Japan**  
**Halving delivery times, enforcing BCP, strengthening the precious metal recycling system, and strengthening business for liquid crystal use in South Korea**

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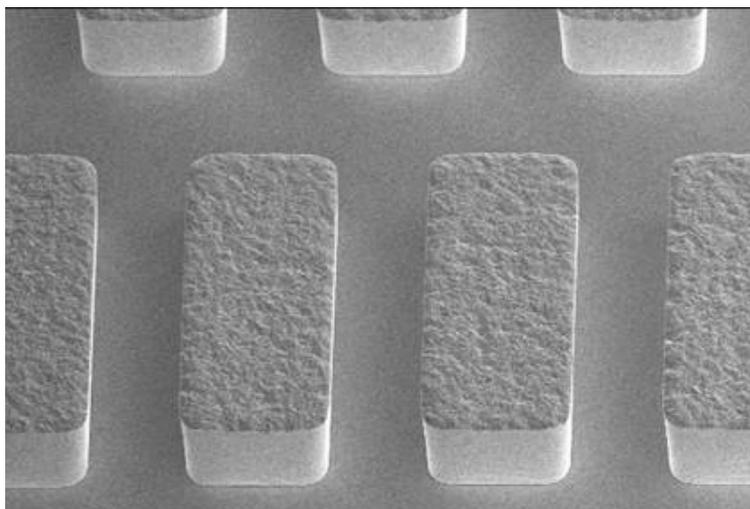
Electroplating Engineers of Japan Ltd.<sup>(\*)</sup> (a company of Tanaka Precious Metals, Head office: Hiratsuka-shi, Kanagawa; President & CEO: Kazumasa Naito; EEJA) today announced that major South Korean chemicals manufacturer Heesung Metal Ltd. (a company of Tanaka Precious Metals, Head office: Seoul Special City; Representative Director & President: Young-Je Kwon) would locally produce and supply EEJA's non-cyanide gold plating solution for the South Korean market from August 24, 2012.

Non-cyanide gold plating solution is gold plating solution primarily used in the wafer bump process for liquid crystal panel driver ICs. By producing and supplying locally in South Korea, the delivery lead time to South Korean customers can be reduced to half the current time or less compared to when produced by EEJA in Japan. Furthermore, because EEJA and Heesung Metal can both store product inventory, the business continuity plan (BCP) enforcement is possible for emergencies such as natural disasters and damage to social infrastructure by dispersing risk place on the supply chain.

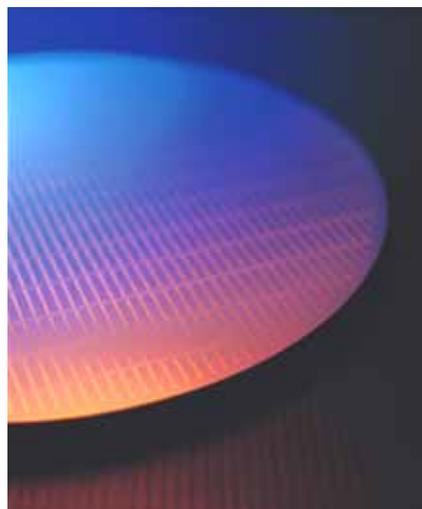
Until now, EEJA has established product sales and technical support functions in South Korea, and exported plating solution manufactured in Japan. Recently, EEJA determined that a further expansion of sales channels could be anticipated with the full-scale acceleration of South Korea's liquid crystal industry, and concluded an agreement for Heesung Metal to produce and supply non-cyanide gold plating solution. The amount of capital investment by Heesung Metal is approximately 500 million yen, and as this will enable the normal 10 day delivery time to be reduced to 5 days or less, it is possible to support R&D focused on local customers under a speedier supply system. In addition to further reduce the shipping costs, the establishment of local production enables customers to reduce the risk of bullion price fluctuations by re-commercializing used plating solution that has been collected to be refined and recycled within South Korea.

By capturing the expanding demand in South Korea's active liquid crystal market through the local production and supply by Heesung Metal, EEJA aims to increase its share of liquid crystal driver IC gold plating solution from the current level of 60% to approximately 80% by 2015, with the goal of 12 billion yen in annual sales. In order to strengthen the system for supporting technological development, the research facility providing technical support in South Korea was expanded to 550 square meters or equivalent to 1.8 times its original size in January this year, expanding plating process test facilities and analytical equipment. In future, an effort will be made to further

expand the business by proceeding with the local production and supply of non-cyanide gold plating solution used in various electronic components other than liquid crystal panels while monitoring trends in the South Korean market.



An example of the shape of wafer bumps using non-cyanide gold plating solution (width: 30 $\mu$ m)



Wafer used for liquid crystal panel driver ICs

(\*1) A company conducting the plating business in the Tanaka Precious Metals Group, with Tanaka Holdings Co., Ltd. as its holding company.

■**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> (Industrial products)

■**Electroplating Engineers of Japan Ltd. (EEJA)**

Head office: 5-50 Shinmachi, Hiratsuka-shi, Kanagawa

Representative: Kazumasa Naito, President & CEO

Established: 1965

Capital: 100 million yen

Employees: 91 (as of FY2011)

Sales: 25,730 million yen (FY2011)

Areas of Business:

1. Development, production, sales and export of Sel-Rex precious metal and base metal plating solutions, additives, and surface processing-related chemicals through a technical partnership with the Enthone Group
2. Development, production, sales, and export of plating devices
3. Import and sales of plating-related products

Website: <http://www.eeja.com/>

■**Heesung Metal Ltd.**

Head office: 9F, Bulim Building 42, Euljiro 1-ga, Jung-gu Seoul, South Korea

Representative: Young-Je Kwon, Representative Director & President

Established: 1974

Capital: 3,066 million won

Employees: 355

Sales: 958,331 million won (FY2011)

Areas of business: As a joint venture between Tanaka Kikinzoku Kogyo K.K. and South Korean capital, the company provides a wide variety of products such as electric contacts, brazing filler metal and precious metal plating materials based on its own technology and the technology of the Tanaka Precious Metals Group.

Website: <http://www.hsmetal.co.kr>

<**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.

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| - 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.     |