

## **Mitsubishi and Tanaka form gold bonding wire joint venture in China**

Mitsubishi Materials Corporation (Head Office: Tokyo Chiyoda-ku, "MMC") and Tanaka Denshi Kogyo K.K. (Head Office: Tokyo Chiyoda-ku, "Tanaka"), today announced that the two companies have achieved a basic agreement to form a joint venture in China to produce gold bonding wires for semiconductors.

MMC will transfer a 49% equity share in the wholly owned MMC Electronics Hangzhou Co., Ltd., which produces gold bonding wire, to Tanaka on October 1 (estimate), thereby forming a joint venture.

In recent years, most semiconductor device manufacturers and outsourced semiconductor assemblers that use gold bonding wire have shifted production to China, which should raise local demand for gold bonding wire. Another consideration is that those customers need to swiftly establish local plants of such wires. In 2002, MMC led its industry in launching Chinese operations. It is the sole Japanese manufacturer to have set up a integrated gold bonding wire plants, and has endeavored to increase operating rates. Tanaka has been considering its plants in China to meet customer's request to be more integrated and expanded.

Both partners will jointly construct and expand a gold bonding wire manufacturing and sales structure in China, cutting production costs and beefing up marketing to take advantage of strong expected demand growth in that country.

### **Profile of MMC Electronics Hangzhou Co., Ltd.**

Location : Hangzhou Economic & Technological Development Area

Capital : US\$ 4,540,000

Ownership: Wholly owned by Mitsubishi Materials

Business : Manufacturing and selling gold bonding wire for semiconductors

President : Hisayoshi Honma (also president of Mitsubishi Materials' Electronic Materials & Components Company)