



June 29, 2017

Taiyo Nippon Sanso Corporation

**Establishment of “Total Electronics” function in China
and
Expansion of Electronics Gas Manufacturing Capacity in Asia**

Taiyo Nippon Sanso Corporation (TNSC, President Yujiro Ichihara) continues its program of strategic expansion of electronics business in Asia with strategic investment based on new medium-term management plan “Ortus Stage 2”. TNSC announced today that the new “Total Electronics” function has been established in Shanghai China in association with an investment in new electronics gas manufacturing plant in Yangzhou, China. This is a proactive action to prepare for increasing electronics gas demand and rapidly changing technology trend of global semiconductor manufacturers and semiconductor market.

1. Overview of “Total Electronics” function in China

Global semiconductor manufacturers are operating its multiple fabs in the US, Asia and EU, due to increasing globalization of their customers and increasing demand for efficiency with stable supply chain management, especially in China who has become one of the largest country to consume semiconductor device in the world.

TNSC has designated these global semiconductor manufacturers as its strategic accounts, and accelerate its group unified activities of Strategic Account Management (SAM), Products Management (PM), Supply Chain Management (SCM) and R&D Management through “Total Electronics” function.

“Total Electronics” also provides a unitary management for electronics business operation in China and Korea by investing the new electronics gas manufacturing capability, where the demand of electronics gases has been continuously and rapidly increasing.

2. Investment in new Electronics Gas manufacturing plant in Asia

TNSC has started construction of new electronics gas manufacturing plant at Yangzhou Chemical Industry Park (YCIP) in Jiangsu province China in order to support increasing demand of electronics gases in Asia especially in China. The new investment makes China the fourth country after Japan, USA and Korea where TNSC group has the electronics gas manufacturing plant. Ground breaking ceremony was held yesterday on 28th June.

The total land of new electronics gas manufacturing plant at YCIP is 28,000m² and 7,000m² for manufacturing plant, warehouse and office. B₂H₆ synthesis, CH₃F, C₄F₆ purification, Hydride mixing and cylinder treatment facility will be installed with target commercial operation from Q1 2019. B₂H₆, CH₃F and C₄F₆ have been widely utilized in memory and logic IC production. Since the number of 3D-NAND layer stacks will be increasing, demand of these electronics gases are expected strongly growing. In addition to new investment in China, B₂H₆

synthesis, CH₃F purification and other capacity improvement projects are in progress at existing electronics gas manufacturing plant in MGPK.

China issues guidelines on implementing “13th Five-Year Plan (2016 -2020)” and “National Guideline for Development of the IC Industry” to support the development of the domestic semiconductor industry rapidly and largely. Therefore, further increasing demand for electronic gases among other materials used in the semiconductor manufacturing process are expected.

The latest technology with know-how on “Synthesis” , “Purification” , “Filling” , “Analysis” and “Cylinder treatment” from group electronics manufacturing plant operating in Japan (Japan Fine Products Co., Ltd.), MGPK in Korea and Matheson Tri-Gas, Inc. in the US have been well utilized for new electronics gas manufacturing plant in China. Especially, B₂H₆ synthesis in China and Korea will support customer’s further increasing demand on higher & tighter quality control and volume.

TNSC will continue to pursue the leading position in global electronics business with satisfying customer’s expectation via providing highest quality of products and stable supply chain.



Ground breaking Ceremony
(Yangzhou Chemical Industry Park, Jiangsu)