

Japan Suffers Serious Earthquake



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Semiconductor Plants Paused, but No Significant Damage Reported

On Friday, and Saturday, April 14 & 15, 2016, a series of strong earthquakes hit Japan's southern island of Kyushu. The first, measuring 6.2 on the Richter Scale, struck at 9:26 PM Friday, killing 9 people. This was followed by a 6.0 magnitude quake just after midnight Saturday morning. Finally, a 7.0 jolt struck at 1:25 AM. All were within 12km of Kumamoto, and were relatively shallow, ranging from 6-10km below the surface. In comparison, the devastating Fukushima earthquake of April 2011 measured 9.0 on this scale, which is logarithmic – this means that the Kumamoto earthquake was 1/100th the energy of the Fukushima event.

Semiconductor companies in the area tell us that there are continuing aftershocks since this series of earthquakes.

The local government's disaster management office reports 32 deaths from these events, and believes that 23 more are buried in the rubble of collapsed buildings.

Impact on Chip Manufacture

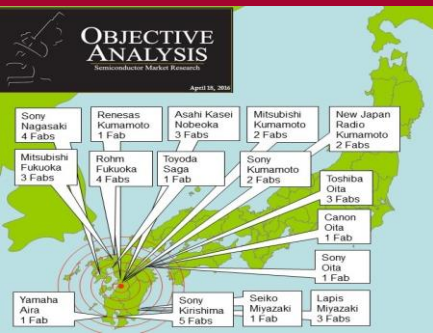
Kyushu hosts a number of semiconductor plants which are documented in the database maintained by the Industry Research & Statistics Group at SEMI, who graciously helped Objective Analysis to create this Alert. The largest number of fabs on the island belong to Sony, which operates all six of the island's 300mm facilities. The company has been reserved with its information, only releasing today a brief comment that the company's Kumamoto Technology Center were halted after the earthquake on April 14, and the timeframe for resuming operations has yet to be determined. This plant primarily manufactures image sensors for digital cameras and security cameras and micro-display devices.

Both Sony's Nagasaki Technology Center and its Oita Technology Center were temporarily halted, but the impacted equipment was restarted on Sunday, April 17, and production has resumed. The Nagasaki Technology Center is Sony's main facility for smartphone image sensor production. The Oita Technology Center was recently sold to Sony by Toshiba and had just begun operations for Sony on April 1.

Sony's Kagoshima Technology Center continued its production operations after the earthquakes, with no major impact on operations.

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April 15, 2016



Sony has confirmed the safety of all of its and its group companies' employees in the region affected by the earthquakes.

Mitsubishi established a companywide disaster management office at its Tokyo headquarters immediately following the first earthquake, and has since been confirming the situation on the ground, implementing necessary measures. Production was halted at the company's Kumamoto Power Device Works, although no buildings have collapsed. Damage to structures and production lines is currently being assessed, and as soon as operational safety has been confirmed Mitsubishi will consider when to resume operations.

Renesas reports that its Kawashiri facility, the only Renesas facility on the island, halted operations immediately after the earthquake and is currently assessing its status. The company will provide details as soon as they become available. All employees evacuated safely with no casualties.

Toshiba, with only three local wafer fabs (compared to Sony's 13), gave the greatest detail on its status, including an update on the company's key suppliers, one of which is a Sony facility. Of its plants, the only one that needed to be shut down was its Oita Japan Semiconductor Corp. (JSC) plant, which is to be re-started today, Monday, April 18. Sony Semiconductor's Oita Technology Center also suspended operations and is to restart production soon.

Updates

As Objective Analysis learns more from the companies in the area we will update our clients so that they can plan around any potential shortages.

Our sympathies go to those who have suffered serious setbacks or losses from this disaster.

Objective Analysis provides information to our clients on market status and company actions in the DRAM and NAND flash markets, SSDs and flash arrays, microcontrollers, and other semiconductor markets. Find out more by visiting our [website](#).

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