

Chip maker TSMC, Sony partner on new \$7 bn plant in Japan

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Taiwanese chip giant TSMC has said it will partner with Sony on a new \$7 billion plant in Japan.

Taiwanese chip giant TSMC will partner with Sony on a new \$7 billion plant in Japan, the firms announced Tuesday, as an ongoing global

semiconductor shortage squeezes the production of everything from cars to TVs and gaming consoles.

Taiwan Semiconductor Manufacturing Company (TSMC) had announced plans for its first plant in Japan earlier this month, with construction expected to begin next year.

But it offered more details in a statement on Tuesday, including that the initial expenditure on the plant is expected to total \$7 billion.

It said the Japanese government was offering "strong support", without offering any specifics. Local media reports suggested the government was considering ploughing more than \$4 billion into the plant.

TSMC said it was partnering with Sony Semiconductor Solutions (SSS) Corporation, a Sony subsidiary, on the plant to be built in southern Japan's Kumamoto.

The firms will create a joint Japanese subsidiary, with SSS taking an equity stake of less than 20 percent for an investment of approximately \$500 million.

The move comes during a global shortage of semiconductors caused by surging demand during the pandemic paired with supply issues.

The Japan plant is not expected to begin production before 2024.

"While the global semiconductor shortage is expected to be prolonged, we expect partnership with TSMC to contribute to securing a stable supply of logic wafers, not only for us but also for the overall industry," SSS president and CEO Terushi Shimizu said in a statement.

The firms said the plant was expected to have a monthly production

capacity of 45,000 12-inch wafers, and would directly create around 1,500 high-tech professional jobs.

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