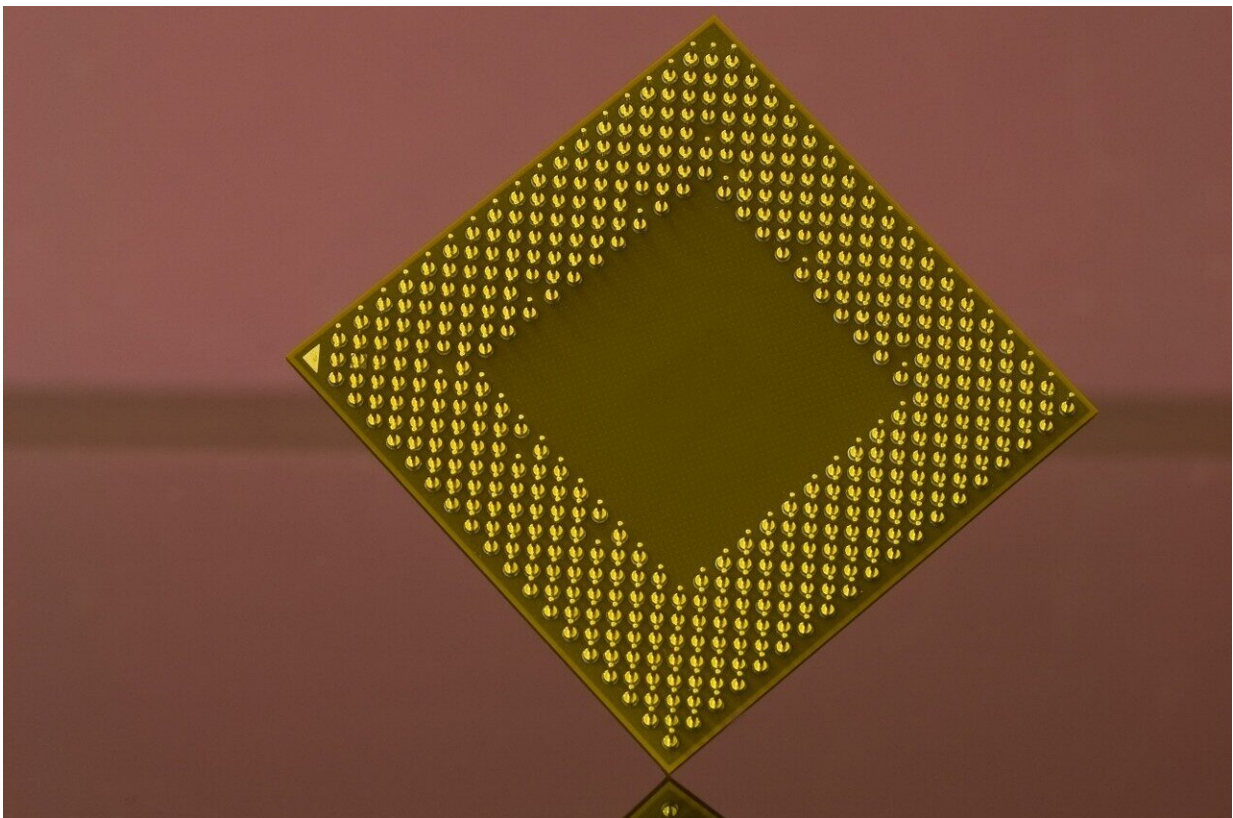


Taiwan chip giant TSMC announces second Japan plant

February 6 2024



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TSMC will build a second foundry in Japan, the semiconductor giant and its local partners announced Tuesday, weeks before its first in the country officially opens.

Taiwan Semiconductor Manufacturing Company—which counts Apple and Nvidia as clients—controls more than half the world's output of [silicon wafers](#), used in everything from smartphones to cars and missiles.

It has had to navigate geopolitical tussles between the United States and China in recent years as the two face off over technology import restrictions, trade and Taiwan—its primary manufacturing base.

The second factory "is scheduled to begin operation by the end of the 2027", TSMC said on Tuesday in a statement jointly issued with Sony Semiconductor Solutions Corporation, DENSO and Toyota.

"Together with JASM's first fab, which is scheduled to begin operation in 2024, the overall investment in JASM will exceed US\$20 billion with strong support from the Japanese government," the statement said.

Joint venture JASM, or Japan Advanced Semiconductor Manufacturing, is TSMC's majority-owned manufacturing subsidiary in Kumamoto prefecture, where both factories will be based.

"In response to rising customer demand, JASM plans to commence construction of its second fab by the end of 2024. The increased production scale is also expected to improve overall cost structure and supply chain efficiency for JASM," the companies said.

Company chairman Mark Liu said last month the first foundry's opening ceremony would be on February 24.

Total production capacity at both plants is expected to reach more than 100,000 12-inch wafers per month.

The sites will add more than 3,400 high-tech professional jobs, they said.

TSMC said in a separate statement on Tuesday that its board of directors had approved a capital injection of up to \$5.26 billion into JASM, without elaborating.

Japan's government said last year it planned to spend \$13 billion to boost domestic production of strategically important semiconductors and generative AI technology.

Part of that spending would be to support the construction of a second TSMC plant in Kumamoto, a Japanese trade ministry official said in November.

The company said its board also approved on Tuesday capital injection of up to \$5 billion into its wholly-owned subsidiary TSMC Arizona, without elaborating.

Global worries about Taipei's plummeting relations with Beijing, which claims the self-ruled island as its territory, have fueled a US push to successfully woo TSMC into building the Arizona plant, one of the largest foreign investments in the country.

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