

TSMC Spearheads Semiconductor Revolution: Japan Expansion and Industry Resurgence

Taiwan Semiconductor Manufacturing Company's (TSMC) new factory in Japan is a significant development with several implications. This move marks TSMC's diversification of its manufacturing base while aligning with Japan's goals to revitalize its semiconductor industry and strengthen supply chains amidst rising geopolitical tensions.

The new facility in Japan's Kumamoto prefecture is scheduled to begin producing 12 to 28-nanometer wafers for automotive and industrial applications by the end of the year. The factory, a joint venture named Japan Advanced Semiconductor Manufacturing (JASM), involves an \$8.6 billion investment. TSMC holds a majority stake (86.5%), with Japanese conglomerates Sony (6%), Toyota (2%), and Denso (5.5%) holding the remaining shares.

Japan's substantial subsidies, totaling up to 476 billion yen (approximately \$3.162 billion), demonstrate strong governmental support for this strategic semiconductor partnership. TSMC's global expansion strategy includes forthcoming facilities in Arizona, USA, and Dresden, Germany, highlighting its commitment to decentralizing production and reducing geopolitical risks.

TSMC's confidence in Japan's semiconductor potential is evident in its plans for a second Kumamoto plant, with total investments expected to exceed \$20 billion. During the facility's inauguration, TSMC founder Morris Chang underscored its importance in serving not only Sony but also Renesas Technology, a joint venture of Hitachi and Mitsubishi.

Japan's Minister of Economy, Trade, and Industry, Ken Saito, emphasized the importance of TSMC's presence. He highlighted the advanced nature of the chips, emphasizing their potential for AI and autonomous driving applications, and their role in securing a stable semiconductor supply within Japan.

Chang's admiration for Japan's business environment and supply chain underscores a strategic alignment that goes beyond economic interests. With key players like Tokyo Electron and Canon within Japan's semiconductor ecosystem, the country is poised to regain its position as a leader in the global industry.

In conclusion, TSMC's expansion into Japan marks a strategic partnership that aims to revitalize Japan's semiconductor industry and strengthen global supply chains. As geopolitical complexities continue, such collaborations underscore the resilience, adaptability, and innovation essential for continued progress in the semiconductor domain.



5F, AI Building Kayabacho | 1-6-12 Shinkawa | Japan



tokyo@gwa-asia.com



+81 90 8106.5563