

July 5, 2023
SBI Holdings, Inc.

Notice of Basic Agreement with PSMC, a Major Taiwanese Semiconductor Foundry, to Establish a Preparatory Company for the Establishment of a Semiconductor Factory in Japan

SBI Holdings, Inc. (Head Office: Minato-ku, Tokyo; Representative Director, Chairman, President & CEO: Yoshitaka Kitao; hereinafter “the Company”) hereby announces that it has concluded a basic agreement with Powerchip Semiconductor Manufacturing Corporation (Chairman: Frank C. Huang; hereinafter “PSMC”) a major Taiwanese semiconductor foundry, to establish a preparatory company for the establishment of a semiconductor factory in Japan.

In June 2021, the Japanese government compiled the “Strategy for Semiconductors and the Digital Industry” and expressed the necessity to fundamentally nurture the semiconductor industry in Japan. Subsequently, Russia’s invasion of Ukraine dramatically changed the environment surrounding global security, and historical inflation, soaring energy prices, and supply chain disruptions became apparent.

In the 1990s, Japan boasted a 50% share of the global semiconductor market; however, this share has now dropped to less than 10%. The global semiconductor market is expected to reach 100 trillion yen by 2030, and in order for Japan to revitalize its semiconductor industry, partnering with Taiwan’s leading semiconductor company will be a major key to success. In addition, as procurement of semiconductors with consideration of geopolitical risks is required not only in the AI and automotive industries but also in all other industries, the Company considers that Japan will be expected to act as a starting point of the global semiconductor supply chain by the Middle East, Asia, Europe, and the United States.

Under these circumstances, SBI Group has reached a basic agreement with PSMC, a leading Taiwanese semiconductor foundry to jointly establish a preparatory company for the establishment of a semiconductor plant in Japan. PSMC is the third-largest semiconductor foundry in Taiwan and the sixth-largest in the world and is one of the few companies in the world capable of producing both memory and logic semiconductors. In addition, while many semiconductor companies invest in state-of-the-art or cutting-edge technologies, PSMC has a business model to produce semiconductors of 28nm and above, which is estimated to account for more than 90% of the automotive semiconductor demand for high-quality, low-cost, and large volumes. While a semiconductor could not be made even with a single process missing, PSMC will contribute to the stable supply of semiconductors in Japan and around the world by leveraging its accumulated expertise.

SBI Group and PSMC will establish a preparatory company at an early stage, which will select a factory site, formulate business plans, and strategize for funding. Details regarding the start of construction and operation of the plant will be announced when they become more concrete.

Based on the Company’s philosophy of “Going Beyond Finance with Finance as Its Core,” the Company is committed

to contributing to the revival of the semiconductor industry in Japan, making Japan the starting point of the global supply chain of semiconductors and contributing to the development of a variety of industries.

[Overview of the partner company]

Company name	Powerchip Semiconductor Manufacturing Corporation (力晶積成電子製造股份有限公司)
Business description	Foundry business for logic specialty semiconductors, memory semiconductors for niche markets, and discrete semiconductors
Year of establishment	1998
Representative	Frank C. Huang (黃崇仁)

For further information, please contact:

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