

October 31, 2023  
SBI Holdings, Inc.  
JSMC Co., Ltd.

## **Notice Regarding the Selection of the Planned Semiconductor Foundry Construction Site in Japan**

SBI Holdings, Inc. (Head Office: Minato-ku, Tokyo; Representative Director, Chairman, President & CEO: Yoshitaka Kitao; hereinafter “the Company”) and Powerchip Semiconductor Manufacturing Corporation (Chairman: Frank C. Huang; hereinafter “PSMC”) a major Taiwanese semiconductor foundry, hereby announce that the two companies have decided that Second Northern Sendai Central Industrial Park in Ohira Village, Kurokawa District, Miyagi Prefecture (hereinafter “Second Northern Sendai Central Industrial Park”) will be the planned site for a semiconductor foundry. Furthermore, Miyagi Prefecture, PSMC, the Company, and JSMC Co., Ltd. (Head Office: Minato-ku, Tokyo, Co-representatives: Makoto Miyazaki, Joe Wu; hereinafter “JSMC”) have concluded a Memorandum of Understanding regarding the establishment of a semiconductor fabrication plant (commonly called a fab), based on the premise of receiving a certain amount of subsidy from the government.

In August this year, the Company and PSMC established JSMC as a preparatory company for establishing a semiconductor foundry and have been discussing potential locations for a fab.

Following the notice of the establishment of a semiconductor factory in Japan, the Company has been presented with highly constructive proposals from over 30 municipalities. These proposals encompass various aspects, including infrastructure development, site selection, and diverse economic conditions. The Company would like to express its sincere gratitude to all the officials from these municipalities for their voluntary participation in the bid and for their extensive support and consideration.

After extensive deliberations and multiple on-site inspections with municipalities of the candidate sites, the Company has decided that the Second Northern Sendai Central Industrial Park will be the planned construction site. This decision takes various factors into account, including: the robustness of infrastructure, such as water supply, drainage, high-voltage power supply, and logistics capabilities, as well as the park’s resilience to natural disasters, the quality of the surrounding living environment, and the potential for future industry-academia collaboration.

While many semiconductor companies are directing their investments towards cutting-edge or advanced technologies, PSMC stands out with expertise in the business model of high-quality, cost-effective, and high-volume manufacturing of semiconductors, particularly those at 28nm and above, which are known to account for over 90% of the semiconductor demand in the automotive sector. Under the current plans, JSMC’s fab will manufacture semiconductors in the 28nm, 40nm, and 55nm categories, with a targeted monthly output of 40,000 wafers\*.

Moving forward, the Company is in the process of setting forth comprehensive plans while collaborating with Miyagi Prefecture, partner companies, and partner financial institutions, including future financing towards establishing a fab in the Second Northern Sendai Central Industrial Park under the “Strategy for Semiconductors

and the Digital Industry” promoted by the Japanese government. In addition, the Company will release more detailed information concerning the commencement of construction and operational dates of the fab once this information becomes concrete.

Based on the philosophy of “Going Beyond Finance with Finance as Its Core,” the Company will endeavor towards contributing to the revival of Japan’s semiconductor industry, which will lead to the advancement of various industries.

\*Wafer: A thin plate made of single-crystal silicon as a material for semiconductors. Multiple semiconductor chips are cut out from a single wafer.

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For further information, please contact:

SBI Holdings, Inc. Corporate Communications Dept., Tel: +81 3 6229-0126