

TPSCo Strategic Restructuring & Japan 300mm Expansion | FAQ

March 25, 2026

1. What transaction has Tower announced regarding TPSCo?

Tower and Nuvoton Technology Corporation Japan (NTCJ) have entered into a framework agreement to implement a strategic restructuring of TPSCo's business operations, under which Tower will obtain full ownership and operational control of TPSCo's 12-inch (300mm) fab in Uozu, Japan.

2. What will Tower own following the transaction?

Upon closing, Tower will fully own and operate the 300mm fabrication facility (Fab 7) in Uozu, including its manufacturing tools, operations, employees, and business activities, through a wholly owned Japanese subsidiary.

3. What happens to the 200mm fab and captive lines?

The 200mm fabrication facility in Tonami (Fab 5) and NTCJ's captive lines will remain with TPSCo, which will become a wholly owned subsidiary of NTCJ.

4. What consideration is Tower receiving as part of the restructuring?

As part of the transaction, NTCJ will pay Tower \$25 million on the closing date.

5. When is the transaction expected to close?

The transaction is expected to close on April 1, 2027, subject to customary closing conditions and receipt of applicable regulatory approvals.

6. Will there be any disruption to customers or operations?

No. The companies have committed to continuity without interruption of customer engagements, ongoing operations, development programs, and employee stability. As part of the strategic restructuring, mutual long-term supply agreements will be signed to support existing customers of both companies.

7. Why is Tower pursuing this restructuring?

The restructuring is intended to better align assets with Tower's long-term business strategy, enhance operational focus, and strengthen global competitiveness in response to evolving market and customer requirements.

8. How does this transaction affect Tower's global manufacturing footprint?

The transaction strengthens Tower's global footprint by adding a fully owned 300mm manufacturing facility in Japan, integrated into Tower's worldwide operations and business units.

9. What are Tower's plans for 300mm capacity in Japan?

Tower plans to expand 300mm capacity in Japan to support strong customer demand, including potential expansion onto adjacent land, subject to subsidy approval from Japan's Ministry of Economy, Trade and Industry (METI), following the formal application.

10. What is the targeted scale of the 300mm expansion?

Tower targets the combined capacity of the existing Uozu facility and the intended adjacent expansion to result in four times the current Uozu 300mm capacity once completed.

11. What technologies are expected to benefit from the expansion?

The expansion is intended to strengthen Tower's differentiated optical and photonics platforms (SiGe, SiPho).

12. How does Tower characterize the economics of this expansion?

The expansion is planned in a fab that is currently cash-from-operations positive and targeted to remain so throughout the build-out period, in contrast to greenfield or acquisition-based expansions.

13. Does Tower have plans regarding ownership of the Fab 7 building and land?

As part of the agreement, Tower has an option to purchase the existing Fab 7 building and land and may purchase adjacent land under pre-agreed terms, subject to METI subsidy approval.

14. How does Tower view its future relationship with Nuvoton?

Tower and Nuvoton will transition from joint ownership to long-term strategic supplier and customer partnerships, continuing to provide production services to each other where relevant.

15. Are there plans for additional business reorganizations or M&A related to this transaction?

There are no plans at this point in time beyond the announced restructuring.

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