

TSMC to set up wholly owned subsidiary in Japan

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The logo of Taiwan Semiconductor Manufacturing Co is pictured at its headquarters in Hsinchu on Jan. 18.

Photo: Ann Wang, Reuters

Taiwan Semiconductor Manufacturing Co's (TSMC, 台积电) board of directors has approved a plan to invest up to ¥18.6 billion (US\$177.7 million) to set up a fully owned subsidiary in Japan to expand its 3D semiconductor material research, the company said yesterday.

The subsidiary is to begin operations this year, company spokeswoman Nina Kao (高英) said.

The announcement comes amid escalating geographic tensions worldwide, and highlighted TSMC's strategic importance in global supply chains.

The Japanese government has reportedly been coaxing TSMC, the world's largest contract chipmaker, to build a factory in Japan.

Japan-based clients contributed about 5 percent to TSMC's NT\$1.34 trillion (US\$47.2 billion) revenue last year, company data showed.

The *Nikkei Shimbun* on Monday reported that TSMC is planning to invest about ¥20 billion to set up a research and development facility in Ibaraki Prefecture, while also looking at establishing a new company in Japan.

The new facility would focus on advanced semiconductor packaging and testing, the report said, adding that TSMC is considering installing a production line in Japan.

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TSMC did not comment on the *Nikkei* report.

The board yesterday approved capital appropriation of US\$11.79 billion for next quarter, which would be used mainly for factory construction, and installing and upgrading advanced technology capacity, as well as research and development, TSMC said.

To finance its capacity expansion and related expenditures on pollution prevention, the board approved a plan to issue local unsecured corporate bonds of up to NT\$120 billion, and to act as a guarantor to its subsidiary TSMC Global Ltd's issuance of US dollar-denominated senior unsecured corporate bonds of up to US\$4.5 billion, it said.

The board also approved a proposal to distribute a cash dividend of NT\$2.5 per share. That represents about a 45 percent payout ratio based on earnings per share of NT\$5.51 during the quarter ending on Dec. 31.

It also approved the payment of performance-based bonuses and profit-sharing rewards of approximately NT\$69.51 billion to employees for last year's work.

Earlier yesterday, TSMC said that its revenue expanded 22.2 percent to NT\$126.75 billion last month, compared with NT\$103.68 billion a year earlier.

Last month's revenue was the highest level since September last year.

On a monthly basis, revenue rose 8 percent from NT\$117.37 billion.

Source: [Taipei Times 2021/02/10](#)