



TSMC to Cease Solar Manufacturing Operations

Hsinchu, Taiwan, R.O.C. – August 25, 2015 – TSMC (NYSE: TSM) today announced that TSMC Solar, its 100% owned subsidiary, will cease manufacturing operations at the end of August 2015 as TSMC believes that its solar business is no longer economically sustainable. TSMC will continue to honor all product warranties that have been offered to existing customers, and will also extend employment offers to all employees currently working at TSMC Solar in Taiwan upon the closure of its fab, located at Central Taiwan Science Park in Taichung.

TSMC Solar’s late entry to the market and lack of economies of scale led to a substantial cost disadvantage. After careful consideration, TSMC has come to the conclusion that despite its world-class conversion efficiency for CIGS technology, TSMC Solar will not be viable even with the most aggressive cost reduction plan.

“TSMC continues to believe that solar power is an important source of green energy and that solar module manufacturing remains a robust and growing industry, but despite six years of hard work we have not found a way to make a sustainable profit,” said Dr. Steve Tso, Chairman of TSMC Solar and Senior Vice President of TSMC. “Upon ceasing manufacturing operations at TSMC Solar, our most important concern will be the continued employment of our workers there.”

TSMC estimates that charges related to closing the solar subsidiary’s fab will impact third quarter 2015 earnings per share by NT\$0.07. Remaining solar panel inventory will be installed at TSMC buildings and facilities.

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