



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Balance Sheets (Unaudited)

(Expressed in Millions of New Taiwan Dollars ("NTD") and U.S. Dollars ("USD")) ⁽¹⁾

	June 30, 2023			March 31, 2023		June 30, 2022		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
ASSETS											
Current Assets											
Cash and Cash Equivalents	\$ 41,013	\$ 1,276,724	24.8	\$ 1,385,233	27.5	\$ 1,253,189	28.8	\$ (108,509)	(7.8)	\$ 23,535	1.9
Investments in Marketable Financial Instruments	6,850	213,232	4.1	203,952	4.1	172,379	4.0	9,280	4.6	40,853	23.7
Accounts Receivable	6,136	191,027	3.7	148,047	2.9	222,069	5.1	42,980	29.0	(31,042)	(14.0)
Inventories	7,528	234,333	4.6	216,068	4.3	217,438	5.0	18,265	8.5	16,895	7.8
Other Current Assets	1,434	44,648	0.9	42,427	0.8	40,791	1.0	2,221	5.2	3,857	9.5
Total Current Assets	62,961	1,959,964	38.1	1,995,727	39.6	1,905,866	43.9	(35,763)	(1.8)	54,098	2.8
Non-current Assets											
Long-term Investments	3,039	94,610	1.8	69,914	1.4	64,440	1.5	24,696	35.3	30,170	46.8
Property, Plant and Equipment	94,675	2,947,234	57.2	2,833,397	56.1	2,248,319	51.7	113,837	4.0	698,915	31.1
Right-of-use, Intangible and Other Non-current Assets	4,743	147,657	2.9	146,806	2.9	127,316	2.9	851	0.6	20,341	16.0
Total Non-current Assets	102,457	3,189,501	61.9	3,050,117	60.4	2,440,075	56.1	139,384	4.6	749,426	30.7
Total Assets	\$ 165,418	\$ 5,149,465	100.0	\$ 5,045,844	100.0	\$ 4,345,941	100.0	\$ 103,621	2.1	\$ 803,524	18.5
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-term Loans	\$ -	\$ -	-	\$ -	-	\$ 115,585	2.6	\$ -	-	\$ (115,585)	(100.0)
Accounts Payable	1,573	48,973	1.0	47,382	0.9	59,818	1.4	1,591	3.4	(10,845)	(18.1)
Payables to Contractors and Equipment Suppliers	4,522	140,753	2.7	157,375	3.1	160,489	3.7	(16,622)	(10.6)	(19,736)	(12.3)
Cash Dividends Payable	4,796	149,309	2.9	142,617	2.8	142,806	3.3	6,692	4.7	6,503	4.6
Accrued Expenses and Other Current Liabilities	14,895	463,668	9.0	517,676	10.3	349,484	8.0	(54,008)	(10.4)	114,184	32.7
Current Portion of Bonds Payable and Bank Loans	261	8,126	0.2	8,040	0.2	17,059	0.4	86	1.1	(8,933)	(52.4)
Total Current Liabilities	26,047	810,829	15.8	873,090	17.3	845,241	19.4	(62,261)	(7.1)	(34,412)	(4.1)
Non-current Liabilities											
Bonds Payable	28,966	901,710	17.5	848,638	16.8	753,890	17.4	53,072	6.3	147,820	19.6
Other Non-current Liabilities	7,435	231,458	4.5	231,219	4.6	236,348	5.4	239	0.1	(4,890)	(2.1)
Total Non-current Liabilities	36,401	1,133,168	22.0	1,079,857	21.4	990,238	22.8	53,311	4.9	142,930	14.4
Total Liabilities	62,448	1,943,997	37.8	1,952,947	38.7	1,835,479	42.2	(8,950)	(0.5)	108,518	5.9
Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	8,330	259,321	5.0	259,321	5.1	259,304	6.0	-	-	17	-
Capital Surplus	2,245	69,895	1.4	69,894	1.4	69,334	1.6	1	-	561	0.8
Legal Capital Reserve	9,995	311,147	6.0	311,147	6.2	311,147	7.2	-	-	-	-
Special Capital Reserve	758	23,594	0.5	20,320	0.4	47,067	1.1	3,274	16.1	(23,473)	(49.9)
Unappropriated Earnings	81,676	2,542,570	49.4	2,441,821	48.4	1,844,911	42.4	100,749	4.1	697,659	37.8
Others	(571)	(17,777)	(0.4)	(24,269)	(0.5)	(35,410)	(0.8)	6,492	26.8	17,633	49.8
Equity Attributable to Shareholders of the Parent	102,433	3,188,750	61.9	3,078,234	61.0	2,496,353	57.5	110,516	3.6	692,397	27.7
Noncontrolling Interests	537	16,718	0.3	14,663	0.3	14,109	0.3	2,055	14.0	2,609	18.5
Total Shareholders' Equity	102,970	3,205,468	62.2	3,092,897	61.3	2,510,462	57.8	112,571	3.6	695,006	27.7
Total Liabilities & Shareholders' Equity	\$ 165,418	\$ 5,149,465	100.0	\$ 5,045,844	100.0	\$ 4,345,941	100.0	\$ 103,621	2.1	\$ 803,524	18.5

Note :
(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$31.130 as of June 30, 2023.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income (Unaudited)

For the Three Months Ended June 30, 2023, March 31, 2023, June 30, 2022

(Expressed in Millions of New Taiwan Dollars ("NTD") and U.S. Dollars ("USD") ⁽¹⁾)

Except for Per Share Amounts and Shares Outstanding)

	2Q 2023			1Q 2023		2Q 2022		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 15,677	\$ 480,841	100.0	\$ 508,633	100.0	\$ 534,141	100.0	\$ (27,792)	(5.5)	\$ (53,300)	(10.0)
Cost of Revenue	(7,194)	(220,641)	(45.9)	(222,133)	(43.7)	(218,673)	(40.9)	1,492	(0.7)	(1,968)	0.9
Gross Profit	8,483	260,200	54.1	286,500	56.3	315,468	59.1	(26,300)	(9.2)	(55,268)	(17.5)
Operating Expenses											
Research and Development Expenses	(1,358)	(41,665)	(8.7)	(39,157)	(7.7)	(39,650)	(7.4)	(2,508)	6.4	(2,015)	5.1
Sales, General and Administrative Expenses	(539)	(16,530)	(3.4)	(16,152)	(3.1)	(13,725)	(2.6)	(378)	2.3	(2,805)	20.4
Total Operating Expenses	(1,897)	(58,195)	(12.1)	(55,309)	(10.8)	(53,375)	(10.0)	(2,886)	5.2	(4,820)	9.0
Other Operating Income and Expenses	(2)	(47)	-	47	-	31	-	(94)	(200.0)	(78)	(251.6)
Income from Operations	6,584	201,958	42.0	231,238	45.5	262,124	49.1	(29,280)	(12.7)	(60,166)	(23.0)
Non-operating Income and Expenses											
Share of Profits of Associates	37	1,134	0.2	1,039	0.2	2,257	0.4	95	9.1	(1,123)	(49.8)
Net Interest Income (Expenses)	348	10,667	2.2	10,654	2.1	642	0.1	13	0.1	10,025	1,561.5
Other Gains and Losses	30	916	0.2	1,344	0.2	975	0.2	(428)	(31.8)	(59)	(6.1)
Total Non-operating Income and Expenses	415	12,717	2.6	13,037	2.5	3,874	0.7	(320)	(2.5)	8,843	228.3
Income Before Income Tax	6,999	214,675	44.6	244,275	48.0	265,998	49.8	(29,600)	(12.1)	(51,323)	(19.3)
Income Tax Expenses	(1,074)	(32,958)	(6.8)	(37,326)	(7.3)	(28,817)	(5.4)	4,368	(11.7)	(4,141)	14.4
Net Income	5,925	181,717	37.8	206,949	40.7	237,181	44.4	(25,232)	(12.2)	(55,464)	(23.4)
Other Comprehensive Income (Losses)	184	5,659	1.2	(3,296)	(0.7)	11,378	2.1	8,955	NM	(5,719)	(50.3)
Comprehensive Income	\$ 6,109	\$ 187,376	39.0	\$ 203,653	40.0	\$ 248,559	46.5	\$ (16,277)	(8.0)	\$ (61,183)	(24.6)
Net Income (Losses) Attributable to:											
Shareholders of the Parent	\$ 5,927	\$ 181,799	37.8	\$ 206,987	40.7	\$ 237,027	44.4	\$ (25,188)	(12.2)	\$ (55,228)	(23.3)
Noncontrolling Interests	(2)	(82)	-	(38)	-	154	-	(44)	(115.8)	(236)	(153.2)
	\$ 5,925	\$ 181,717	37.8	\$ 206,949	40.7	\$ 237,181	44.4	\$ (25,232)	(12.2)	\$ (55,464)	(23.4)
Earnings per Share - Diluted	\$ 0.23	\$ 7.01		\$ 7.98		\$ 9.14		\$ (0.97)	(12.2)	\$ (2.13)	(23.3)
Earnings per ADR - Diluted ⁽²⁾	\$ 1.14	\$ 35.06		\$ 39.91		\$ 45.71		\$ (4.85)	(12.2)	\$ (10.65)	(23.3)
Weighted Average Outstanding Shares - Diluted (M)		25,929		25,929		25,929					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$30.672 for the second quarter of 2023.

(2) 1 ADR equals 5 ordinary shares.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income (Unaudited)

(Expressed in Millions of New Taiwan Dollars ("NTD") and U.S. Dollars ("USD") ⁽¹⁾)

Except for Per Share Amounts and Shares Outstanding)

	For the Six Months Ended June 30						
	2023			2022		YoY	
	USD	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 32,396	\$ 989,474	100.0	\$ 1,025,217	100.0	\$ (35,743)	(3.5)
Cost of Revenue	(14,497)	(442,774)	(44.7)	(436,546)	(42.6)	(6,228)	1.4
Gross Profit	17,899	546,700	55.3	588,671	57.4	(41,971)	(7.1)
Operating Expenses							
Research and Development Expenses	(2,646)	(80,822)	(8.2)	(75,698)	(7.4)	(5,124)	6.8
Sales, General and Administrative Expenses	(1,070)	(32,682)	(3.3)	(26,288)	(2.5)	(6,394)	24.3
Total Operating Expenses	(3,716)	(113,504)	(11.5)	(101,986)	(9.9)	(11,518)	11.3
Other Operating Income and Expenses	-	-	-	(771)	(0.1)	771	(100.0)
Income from Operations	14,183	433,196	43.8	485,914	47.4	(52,718)	(10.8)
Non-operating Income and Expenses							
Share of Profits of Associates	71	2,173	0.2	3,983	0.4	(1,810)	(45.4)
Net Interest Income (Expenses)	698	21,321	2.2	175	-	21,146	12,083.4
Other Gains and Losses	74	2,260	0.2	2,758	0.3	(498)	(18.1)
Total Non-operating Income and Expenses	843	25,754	2.6	6,916	0.7	18,838	272.4
Income before Income Tax	15,026	458,950	46.4	492,830	48.1	(33,880)	(6.9)
Income Tax Expenses	(2,301)	(70,284)	(7.1)	(52,776)	(5.2)	(17,508)	33.2
Net Income	12,725	388,666	39.3	440,054	42.9	(51,388)	(11.7)
Other Comprehensive Income	78	2,363	0.2	26,790	2.6	(24,427)	(91.2)
Comprehensive Income	\$ 12,803	\$ 391,029	39.5	\$ 466,844	45.5	\$ (75,815)	(16.2)
Net Income (Losses) Attributable to:							
Shareholders of the Parent	\$ 12,729	\$ 388,786	39.3	\$ 439,760	42.9	\$ (50,974)	(11.6)
Noncontrolling interests	(4)	(120)	-	294	-	(414)	(140.8)
	\$ 12,725	\$ 388,666	39.3	\$ 440,054	42.9	\$ (51,388)	(11.7)
Earnings per Share - Diluted	\$ 0.49	\$ 14.99		\$ 16.96		\$ (1.97)	(11.6)
Earnings per ADR - Diluted ⁽²⁾	\$ 2.45	\$ 74.97		\$ 84.80		\$ (9.83)	(11.6)
Weighted Average Outstanding Shares - Diluted ('M)		25,929		25,930			

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$30.543 for the six months ended June 30, 2023.

(2) 1 ADR equals 5 ordinary shares.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES
Consolidated Condensed Cash Flow Statements (Unaudited)

For the Six Months Ended June 30, 2023 and for the Three Months Ended June 30, 2023, March 31, 2023 and June 30, 2022

(Expressed in Millions of New Taiwan Dollars ("NTD") and U.S. Dollars ("USD")) ⁽¹⁾

	Six Months 2023		2Q 2023	1Q 2023	2Q 2022
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Income Before Income Tax	\$ 15,026	\$ 458,950	\$ 214,675	\$ 244,275	\$ 265,998
Depreciation & Amortization	7,670	234,262	123,939	110,323	113,225
Share of Profits of Associates	(71)	(2,173)	(1,134)	(1,039)	(2,257)
Income Taxes Paid	(3,956)	(120,833)	(120,147)	(686)	(59,461)
Changes in Working Capital & Others	(580)	(17,713)	(50,085)	32,372	21,344
Net Cash Generated by Operating Activities	18,089	552,493	167,248	385,245	338,849
Cash Flows from Investing Activities:					
Interest Received	872	26,626	14,345	12,281	2,796
Cash Dividend Received	29	896	833	63	531
Acquisitions of:					
Property, Plant and Equipment	(18,107)	(553,033)	(250,534)	(302,499)	(217,723)
Marketable Financial Instruments	(3,559)	(108,692)	(73,800)	(34,892)	(65,199)
Proceeds from Disposal or Redemption of:					
Property, Plant and Equipment	8	243	170	73	64
Marketable Financial Instruments	3,128	95,523	44,473	51,050	5,603
Others	225	6,879	5,187	1,692	(2,004)
Net Cash Used In Investing Activities	(17,404)	(531,558)	(259,326)	(272,232)	(275,932)
Cash Flows from Financing Activities:					
Decrease in Short-term Loans	-	-	-	-	(26,480)
Increase in Hedging Financial Liabilities - Bank Loans	251	7,674	7,674	-	-
Proceeds from Issuance of Bonds	1,964	60,000	40,700	19,300	108,843
Repayment of Bonds	(393)	(12,000)	-	(12,000)	-
Repayment of Long-term Bank Loans	(25)	(787)	(457)	(330)	-
Interest Paid	(243)	(7,421)	(5,550)	(1,871)	(3,553)
Cash Dividends Paid for Common Stock	(4,669)	(142,617)	(71,309)	(71,308)	(71,309)
Others	133	4,075	2,353	1,722	11,579
Net Cash Generated by (Used in) Financing Activities	(2,982)	(91,076)	(26,589)	(64,487)	19,080
Effect of Exchange Rate Changes on Cash and Cash Equivalents	133	4,051	10,158	(6,107)	19,602
Net Increase (Decrease) in Cash and Cash Equivalents	(2,164)	(66,090)	(108,509)	42,419	101,599
Cash and Cash Equivalents at Beginning of Period	43,965	1,342,814	1,385,233	1,342,814	1,151,590
Cash and Cash Equivalents at End of Period	<u>\$ 41,801</u>	<u>\$ 1,276,724</u>	<u>\$ 1,276,724</u>	<u>\$ 1,385,233</u>	<u>\$ 1,253,189</u>

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$30.543 for the six months ended June 30, 2023.