



**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")) <sup>(1)</sup>

ASSETS	September 30, 2021			June 30, 2021		September 30, 2020		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
<b>Current Assets</b>											
Cash and Cash Equivalents	\$ 30,642	\$ 853,812	25.6	\$ 747,982	24.2	\$ 604,195	22.9	\$ 105,830	14.1	\$ 249,617	41.3
Investments in Marketable Financial Instruments	4,379	122,007	3.6	122,853	4.0	138,225	5.2	(846)	(0.7)	(16,218)	(11.7)
Accounts Receivable	6,717	187,168	5.6	178,260	5.7	162,578	6.2	8,908	5.0	24,590	15.1
Inventories	6,540	182,234	5.5	170,439	5.5	109,510	4.2	11,795	6.9	72,724	66.4
Other Current Assets	912	25,418	0.8	21,570	0.7	15,166	0.6	3,848	17.8	10,252	67.6
<b>Total Current Assets</b>	<b>49,190</b>	<b>1,370,639</b>	<b>41.1</b>	<b>1,241,104</b>	<b>40.1</b>	<b>1,029,674</b>	<b>39.1</b>	<b>129,535</b>	<b>10.4</b>	<b>340,965</b>	<b>33.1</b>
<b>Non-current Assets</b>											
Long-term Investments	995	27,730	0.8	29,063	1.0	26,515	1.0	(1,333)	(4.6)	1,215	4.6
Property, Plant and Equipment	65,637	1,828,895	54.9	1,722,679	55.7	1,504,438	57.1	106,216	6.2	324,457	21.6
Right-of-use, Intangible and Other Non-current Assets	3,770	105,048	3.2	99,969	3.2	74,945	2.8	5,079	5.1	30,103	40.2
<b>Total Non-current Assets</b>	<b>70,402</b>	<b>1,961,673</b>	<b>58.9</b>	<b>1,851,711</b>	<b>59.9</b>	<b>1,605,898</b>	<b>60.9</b>	<b>109,962</b>	<b>5.9</b>	<b>355,775</b>	<b>22.2</b>
<b>Total Assets</b>	<b>\$ 119,592</b>	<b>\$ 3,332,312</b>	<b>100.0</b>	<b>\$ 3,092,815</b>	<b>100.0</b>	<b>\$ 2,635,572</b>	<b>100.0</b>	<b>\$ 239,497</b>	<b>7.7</b>	<b>\$ 696,740</b>	<b>26.4</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>											
<b>Current Liabilities</b>											
Short-term Loans	\$ 4,265	\$ 118,844	3.6	\$ 139,381	4.5	\$ 155,378	5.9	\$ (20,537)	(14.7)	\$ (36,534)	(23.5)
Accounts Payable	1,575	43,889	1.3	41,230	1.3	40,892	1.6	2,659	6.4	2,997	7.3
Payables to Contractors and Equipment Suppliers	4,607	128,368	3.8	107,146	3.5	100,637	3.8	21,222	19.8	27,731	27.6
Cash Dividends Payable	5,118	142,617	4.3	136,135	4.4	129,652	4.9	6,482	4.8	12,965	10.0
Accrued Expenses and Other Current Liabilities	7,964	221,904	6.7	223,857	7.2	159,083	6.0	(1,953)	(0.9)	62,821	39.5
Current Portion of Bonds Payable	-	-	-	-	-	2,600	0.1	-	-	(2,600)	(100.0)
<b>Total Current Liabilities</b>	<b>23,529</b>	<b>655,622</b>	<b>19.7</b>	<b>647,749</b>	<b>20.9</b>	<b>588,242</b>	<b>22.3</b>	<b>7,873</b>	<b>1.2</b>	<b>67,380</b>	<b>11.5</b>
<b>Non-current Liabilities</b>											
Bonds Payable	16,499	459,733	13.8	410,465	13.3	227,045	8.6	49,268	12.0	232,688	102.5
Other Non-current Liabilities	4,976	138,637	4.1	40,631	1.3	32,019	1.2	98,006	241.2	106,618	333.0
<b>Total Non-current Liabilities</b>	<b>21,475</b>	<b>598,370</b>	<b>17.9</b>	<b>451,096</b>	<b>14.6</b>	<b>259,064</b>	<b>9.8</b>	<b>147,274</b>	<b>32.6</b>	<b>339,306</b>	<b>131.0</b>
<b>Total Liabilities</b>	<b>45,004</b>	<b>1,253,992</b>	<b>37.6</b>	<b>1,098,845</b>	<b>35.5</b>	<b>847,306</b>	<b>32.1</b>	<b>155,147</b>	<b>14.1</b>	<b>406,686</b>	<b>48.0</b>
<b>Equity Attributable to Shareholders of the Parent</b>											
Capital Stock at Par Value	9,306	259,304	7.8	259,304	8.4	259,304	9.8	-	-	-	-
Capital Surplus	2,324	64,747	1.9	64,754	2.1	56,340	2.1	(7)	-	8,407	14.9
Legal Capital Reserve	11,166	311,147	9.3	311,147	10.0	311,147	11.8	-	-	-	-
Special Capital Reserve	2,103	58,594	1.8	48,393	1.6	36,758	1.4	10,201	21.1	21,836	59.4
Unappropriated Earnings	51,734	1,441,532	43.3	1,366,782	44.2	1,166,071	44.3	74,750	5.5	275,461	23.6
Others	(2,128)	(59,304)	(1.8)	(58,594)	(1.9)	(42,259)	(1.6)	(710)	(1.2)	(17,045)	(40.3)
<b>Equity Attributable to Shareholders of the Parent</b>	<b>74,505</b>	<b>2,076,020</b>	<b>62.3</b>	<b>1,991,786</b>	<b>64.4</b>	<b>1,787,361</b>	<b>67.8</b>	<b>84,234</b>	<b>4.2</b>	<b>288,659</b>	<b>16.2</b>
<b>Noncontrolling Interests</b>	<b>83</b>	<b>2,300</b>	<b>0.1</b>	<b>2,184</b>	<b>0.1</b>	<b>905</b>	<b>0.1</b>	<b>116</b>	<b>5.3</b>	<b>1,395</b>	<b>154.1</b>
<b>Total Shareholders' Equity</b>	<b>74,588</b>	<b>2,078,320</b>	<b>62.4</b>	<b>1,993,970</b>	<b>64.5</b>	<b>1,788,266</b>	<b>67.9</b>	<b>84,350</b>	<b>4.2</b>	<b>290,054</b>	<b>16.2</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 119,592</b>	<b>\$ 3,332,312</b>	<b>100.0</b>	<b>\$ 3,092,815</b>	<b>100.0</b>	<b>\$ 2,635,572</b>	<b>100.0</b>	<b>\$ 239,497</b>	<b>7.7</b>	<b>\$ 696,740</b>	<b>26.4</b>

Note :

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$27.864 as of September 30, 2021.

**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES**

**Consolidated Condensed Statements of Comprehensive Income (Unaudited)**

For the Three Months Ended September 30, 2021, June 30, 2021, September 30, 2020

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

Except for Per Share Amounts and Shares Outstanding)

	3Q 2021			2Q 2021		3Q 2020		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 14,878	\$ 414,671	100.0	\$ 372,145	100.0	\$ 356,426	100.0	\$ 42,526	11.4	\$ 58,245	16.3
Cost of Revenue	(7,245)	(201,925)	(48.7)	(185,948)	(50.0)	(165,932)	(46.6)	(15,977)	8.6	(35,993)	21.7
Gross Profit	7,633	212,746	51.3	186,197	50.0	190,494	53.4	26,549	14.3	22,252	11.7
Operating Expenses											
Research and Development Expenses	(1,107)	(30,866)	(7.5)	(30,874)	(8.3)	(29,684)	(8.3)	8	-	(1,182)	4.0
Sales, General and Administrative Expenses	(387)	(10,784)	(2.6)	(9,709)	(2.6)	(11,207)	(3.1)	(1,075)	11.1	423	(3.8)
Total Operating Expenses	(1,494)	(41,650)	(10.1)	(40,583)	(10.9)	(40,891)	(11.4)	(1,067)	2.6	(759)	1.9
Other Operating Income and Expenses	(3)	(92)	-	53	-	445	0.1	(145)	(273.6)	(537)	(120.7)
Income from Operations	6,136	171,004	41.2	145,667	39.1	150,048	42.1	25,337	17.4	20,956	14.0
Non-operating Income and Expenses											
Share of Profits of Associates	54	1,513	0.4	1,172	0.3	833	0.2	341	29.1	680	81.6
Net Interest Income (Expenses)	1	23	-	294	0.1	1,524	0.4	(271)	(92.2)	(1,501)	(98.5)
Other Gains and Losses	47	1,312	0.3	2,258	0.6	2,719	0.8	(946)	(41.9)	(1,407)	(51.7)
Total Non-operating Income and Expenses	102	2,848	0.7	3,724	1.0	5,076	1.4	(876)	(23.5)	(2,228)	(43.9)
Income Before Income Tax	6,238	173,852	41.9	149,391	40.1	155,124	43.5	24,461	16.4	18,728	12.1
Income Tax Expenses	(624)	(17,372)	(4.2)	(14,910)	(4.0)	(17,745)	(5.0)	(2,462)	16.5	373	(2.1)
Net Income	5,614	156,480	37.7	134,481	36.1	137,379	38.5	21,999	16.4	19,101	13.9
Other Comprehensive Losses	(25)	(708)	(0.1)	(10,201)	(2.7)	(5,436)	(1.5)	9,493	93.1	4,728	87.0
Comprehensive Income	\$ 5,589	\$ 155,772	37.6	\$ 124,280	33.4	\$ 131,943	37.0	\$ 31,492	25.3	\$ 23,829	18.1
Net Income Attributable to:											
Shareholders of the Parent	\$ 5,606	\$ 156,259	37.7	\$ 134,359	36.1	\$ 137,310	38.5	\$ 21,900	16.3	\$ 18,949	13.8
Noncontrolling Interests	8	221	-	122	-	69	-	99	81.1	152	220.3
	\$ 5,614	\$ 156,480	37.7	\$ 134,481	36.1	\$ 137,379	38.5	\$ 21,999	16.4	\$ 19,101	13.9
Earnings per Share - Diluted	\$ 0.22	\$ 6.03		\$ 5.18		\$ 5.30		\$ 0.85	16.3	\$ 0.73	13.8
Earnings per ADR - Diluted (2)	\$ 1.08	\$ 30.13		\$ 25.91		\$ 26.48		\$ 4.22	16.3	\$ 3.65	13.8
Weighted Average Outstanding Shares - Diluted ('M)		25,930		25,930		25,930					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$27.871 for the third quarter of 2021.

(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"))<sup>(1)</sup>

Except for Per Share Amounts and Shares Outstanding)

	For the Nine Months Ended September 30						
	2021			2020		YoY	
	USD	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 41,086	\$ 1,149,226	100.0	\$ 977,722	100.0	\$ 171,504	17.5
Cost of Revenue	(20,037)	(560,444)	(48.8)	(461,828)	(47.2)	(98,616)	21.4
Gross Profit	21,049	588,782	51.2	515,894	52.8	72,888	14.1
Operating Expenses							
Research and Development Expenses	(3,307)	(92,496)	(8.0)	(79,546)	(8.1)	(12,950)	16.3
Sales, General and Administrative Expenses	(1,031)	(28,849)	(2.5)	(27,189)	(2.8)	(1,660)	6.1
Total Operating Expenses	(4,338)	(121,345)	(10.5)	(106,735)	(10.9)	(14,610)	13.7
Other Operating Income and Expenses	(8)	(228)	-	505	-	(733)	(145.1)
Income from Operations	16,703	467,209	40.7	409,664	41.9	57,545	14.0
Non-operating Income and Expenses							
Share of Profits of Associates	141	3,952	0.3	2,238	0.2	1,714	76.6
Net Interest Income (Expenses)	36	1,006	0.1	6,052	0.6	(5,046)	(83.4)
Other Gains and Losses	219	6,140	0.5	5,716	0.6	424	7.4
Total Non-operating Income and Expenses	396	11,098	0.9	14,006	1.4	(2,908)	(20.8)
Income before Income Tax	17,099	478,307	41.6	423,670	43.3	54,637	12.9
Income Tax Expenses	(1,701)	(47,607)	(4.1)	(48,336)	(4.9)	729	(1.5)
Net Income	15,398	430,700	37.5	375,334	38.4	55,366	14.8
Other Comprehensive Losses	(177)	(4,942)	(0.5)	(14,671)	(1.5)	9,729	66.3
Comprehensive Income	\$ 15,221	\$ 425,758	37.0	\$ 360,663	36.9	\$ 65,095	18.0
Net Income Attributable to:							
Shareholders of the Parent	\$ 15,384	\$ 430,308	37.5	\$ 375,119	38.4	\$ 55,189	14.7
Noncontrolling interests	14	392	-	215	-	177	82.3
	\$ 15,398	\$ 430,700	37.5	\$ 375,334	38.4	\$ 55,366	14.8
Earnings per Share - Diluted	\$ 0.59	\$ 16.59		\$ 14.47		\$ 2.12	14.7
Earnings per ADR - Diluted (2)	\$ 2.97	\$ 82.97		\$ 72.33		\$ 10.64	14.7
Weighted Average Outstanding Shares - Diluted (M)		25,930		25,930			

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$27.972 for the nine months ended September 30, 2021.

(2) 1 ADR equals 5 ordinary shares.

**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES**

**Consolidated Condensed Cash Flow Statements (Unaudited)**

For the Nine Months Ended September 30, 2021 and for the Three Months Ended September 30, 2021, June 30, 2021 and September 30, 2020

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

	Nine Months 2021		3Q 2021	2Q 2021	3Q 2020
	USD	NTD	NTD	NTD	NTD
<b>Cash Flows from Operating Activities:</b>					
Income Before Income Tax	\$ 17,099	\$ 478,307	\$ 173,852	\$ 149,391	\$ 155,124
Depreciation & Amortization	11,144	311,732	107,027	103,805	94,733
Share of Profits of Associates	(141)	(3,952)	(1,513)	(1,172)	(833)
Income Taxes Paid	(2,979)	(83,340)	(29,365)	(53,573)	(18,355)
Changes in Working Capital & Others	1,116	31,214	68,705	(11,012)	(40,497)
Net Cash Generated by Operating Activities	<u>26,239</u>	<u>733,961</u>	<u>318,706</u>	<u>187,439</u>	<u>190,172</u>
<b>Cash Flows from Investing Activities:</b>					
Interest Received	\$ 160	\$ 4,470	\$ 1,430	\$ 1,546	\$ 2,007
Cash Dividend Received	89	2,494	1,942	383	2,656
Acquisitions of:					
Property, Plant and Equipment	(21,580)	(603,640)	(188,640)	(166,971)	(99,306)
Marketable Financial Instruments	(6,987)	(195,442)	(43,857)	(73,923)	(65,201)
Proceeds from Disposal or Redemption of:					
Property, Plant and Equipment	8	214	97	59	224
Marketable Financial Instruments	7,440	208,108	52,933	74,007	65,533
Others	(259)	(7,227)	(925)	(4,853)	(1,993)
Net Cash Used In Investing Activities	<u>(21,129)</u>	<u>(591,023)</u>	<u>(177,020)</u>	<u>(169,752)</u>	<u>(96,080)</u>
<b>Cash Flows from Financing Activities:</b>					
Increase (Decrease) in Short-term Loans	\$ 1,342	\$ 37,530	\$ (18,094)	\$ 3,552	\$ (16,804)
Proceeds from Issuance of Bonds	7,405	207,128	49,318	136,710	146,226
Repayment of Bonds	(93)	(2,600)	-	-	(10,200)
Interest Paid	(96)	(2,695)	(1,649)	(273)	(429)
Cash Dividends Paid for Common Stock	(6,953)	(194,478)	(64,826)	(64,826)	(64,826)
Others	337	9,440	(73)	(132)	(6,533)
Net Cash Generated by (Used in) Financing Activities	<u>1,942</u>	<u>54,325</u>	<u>(35,324)</u>	<u>75,031</u>	<u>47,434</u>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalent:</b>	\$ (129)	\$ (3,622)	\$ (532)	\$ (9,464)	\$ (4,945)
<b>Net Increase in Cash and Cash Equivalents</b>	<u>6,923</u>	<u>193,641</u>	<u>105,830</u>	<u>83,254</u>	<u>136,581</u>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<u>23,601</u>	<u>660,171</u>	<u>747,982</u>	<u>664,728</u>	<u>467,614</u>
<b>Cash and Cash Equivalents at End of Period</b>	<u>\$ 30,524</u>	<u>\$ 853,812</u>	<u>\$ 853,812</u>	<u>\$ 747,982</u>	<u>\$ 604,195</u>

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$27.972 for the nine months ended September 30, 2021.