



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Balance Sheet

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

ASSETS	December 31, 2021 (Audited)			September 30, 2021 (Unaudited)		December 31, 2020 (Audited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Current Assets											
Cash and Cash Equivalents	\$ 38,484	\$ 1,064,990	28.6	\$ 853,812	25.6	\$ 660,171	23.9	\$ 211,178	24.7	\$ 404,819	61.3
Investments in Marketable Financial Instruments	4,461	123,465	3.3	122,007	3.6	131,306	4.8	1,458	1.2	(7,841)	(6.0)
Accounts Receivable	7,166	198,302	5.3	187,168	5.6	146,038	5.3	11,134	5.9	52,264	35.8
Inventories	6,978	193,102	5.2	182,234	5.5	137,353	5.0	10,868	6.0	55,749	40.6
Other Current Assets	983	27,214	0.7	25,418	0.8	17,317	0.6	1,796	7.1	9,897	57.2
Total Current Assets	58,072	1,607,073	43.1	1,370,639	41.1	1,092,185	39.6	236,434	17.2	514,888	47.1
Non-current Assets											
Long-term Investments	1,062	29,384	0.8	27,730	0.8	27,728	1.0	1,654	6.0	1,656	6.0
Property, Plant and Equipment	71,371	1,975,119	53.0	1,828,895	54.9	1,555,589	56.3	146,224	8.0	419,530	27.0
Right-of-use, Intangible and Other Non-current Assets	4,116	113,927	3.1	105,048	3.2	85,209	3.1	8,879	8.5	28,718	33.7
Total Non-current Assets	76,549	2,118,430	56.9	1,961,673	58.9	1,668,526	60.4	156,757	8.0	449,904	27.0
Total Assets	\$ 134,621	\$ 3,725,503	100.0	\$ 3,332,312	100.0	\$ 2,760,711	100.0	\$ 393,191	11.8	\$ 964,792	34.9
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-term Loans	\$ 4,153	\$ 114,921	3.1	\$ 118,844	3.6	\$ 88,559	3.2	\$ (3,923)	(3.3)	\$ 26,362	29.8
Accounts Payable	1,761	48,723	1.3	43,889	1.3	41,095	1.5	4,834	11.0	7,628	18.6
Payables to Contractors and Equipment Suppliers	5,266	145,742	3.9	128,368	3.8	157,805	5.7	17,374	13.5	(12,063)	(7.6)
Cash Dividends Payable	5,153	142,617	3.8	142,617	4.3	129,652	4.7	-	-	12,965	10.0
Accrued Expenses and Other Current Liabilities	10,224	282,933	7.6	221,904	6.7	197,440	7.2	61,029	27.5	85,493	43.3
Current Portion of Bonds Payable and Bank Loans	165	4,567	0.1	-	-	2,600	0.1	4,567	-	1,967	75.7
Total Current Liabilities	26,722	739,503	19.8	655,622	19.7	617,151	22.4	83,881	12.8	122,352	19.8
Non-current Liabilities											
Bonds Payable	22,045	610,071	16.4	459,733	13.8	254,105	9.2	150,338	32.7	355,966	140.1
Other Non-current Liabilities	7,415	205,196	5.5	138,637	4.1	38,833	1.4	66,559	48.0	166,363	428.4
Total Non-current Liabilities	29,460	815,267	21.9	598,370	17.9	292,938	10.6	216,897	36.2	522,329	178.3
Total Liabilities	56,182	1,554,770	41.7	1,253,992	37.6	910,089	33.0	300,778	24.0	644,681	70.8
Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	9,370	259,304	7.0	259,304	7.8	259,304	9.4	-	-	-	-
Capital Surplus	2,340	64,762	1.7	64,747	1.9	56,347	2.0	15	-	8,415	14.9
Legal Capital Reserve	11,243	311,147	8.4	311,147	9.3	311,147	11.3	-	-	-	-
Special Capital Reserve	2,143	59,304	1.6	58,594	1.8	42,259	1.5	710	1.2	17,045	40.3
Unappropriated Earnings	55,517	1,536,378	41.2	1,441,532	43.3	1,235,280	44.8	94,846	6.6	301,098	24.4
Others	(2,262)	(62,609)	(1.7)	(59,304)	(1.8)	(54,680)	(2.0)	(3,305)	(5.6)	(7,929)	(14.5)
Equity Attributable to Shareholders of the Parent	78,351	2,168,286	58.2	2,076,020	62.3	1,849,657	67.0	92,266	4.4	318,629	17.2
Noncontrolling Interests	88	2,447	0.1	2,300	0.1	965	-	147	6.4	1,482	153.6
Total Shareholders' Equity	78,439	2,170,733	58.3	2,078,320	62.4	1,850,622	67.0	92,413	4.4	320,111	17.3
Total Liabilities & Shareholders' Equity	\$ 134,621	\$ 3,725,503	100.0	\$ 3,332,312	100.0	\$ 2,760,711	100.0	\$ 393,191	11.8	\$ 964,792	34.9

Note :
(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$27.674 as of December 31, 2021.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income (Unaudited)

For the Three Months Ended December 31, 2021, September 30, 2021, December 31, 2020

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

Except for Per Share Amounts and Shares Outstanding)

	4Q 2021			3Q 2021		4Q 2020		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 15,736	\$ 438,189	100.0	\$ 414,671	100.0	\$ 361,533	100.0	\$ 23,518	5.7	\$ 76,656	21.2
Cost of Revenue	(7,449)	(207,434)	(47.3)	(201,925)	(48.7)	(166,297)	(46.0)	(5,509)	2.7	(41,137)	24.7
Gross Profit	8,287	230,755	52.7	212,746	51.3	195,236	54.0	18,009	8.5	35,519	18.2
Operating Expenses											
Research and Development Expenses	(1,158)	(32,239)	(7.4)	(30,866)	(7.5)	(29,940)	(8.3)	(1,373)	4.4	(2,299)	7.7
Sales, General and Administrative Expenses	(561)	(15,639)	(3.6)	(10,784)	(2.6)	(8,381)	(2.3)	(4,855)	45.0	(7,258)	86.6
Total Operating Expenses	(1,719)	(47,878)	(11.0)	(41,650)	(10.1)	(38,321)	(10.6)	(6,228)	15.0	(9,557)	24.9
Other Operating Income and Expenses	(4)	(105)	-	(92)	-	205	0.1	(13)	(14.1)	(310)	(151.2)
Income from Operations	6,564	182,772	41.7	171,004	41.2	157,120	43.5	11,768	6.9	25,652	16.3
Non-operating Income and Expenses											
Share of Profits of Associates	59	1,651	0.4	1,513	0.4	1,355	0.4	138	9.1	296	21.8
Net Interest Income (Expenses)	(26)	(712)	(0.2)	23	-	885	0.2	(735)	(3,195.7)	(1,597)	(180.5)
Other Gains and Losses	40	1,108	0.3	1,312	0.3	1,747	0.5	(204)	(15.5)	(639)	(36.6)
Total Non-operating Income and Expenses	73	2,047	0.5	2,848	0.7	3,987	1.1	(801)	(28.1)	(1,940)	(48.7)
Income Before Income Tax	6,637	184,819	42.2	173,852	41.9	161,107	44.6	10,967	6.3	23,712	14.7
Income Tax Expenses	(662)	(18,446)	(4.2)	(17,372)	(4.2)	(18,283)	(5.1)	(1,074)	6.2	(163)	0.9
Net Income	5,975	166,373	38.0	156,480	37.7	142,824	39.5	9,893	6.3	23,549	16.5
Other Comprehensive Losses	(96)	(2,677)	(0.6)	(708)	(0.1)	(15,651)	(4.3)	(1,969)	(278.1)	12,974	82.9
Comprehensive Income	\$ 5,879	\$ 163,696	37.4	\$ 155,772	37.6	\$ 127,173	35.2	\$ 7,924	5.1	\$ 36,523	28.7
Net Income Attributable to:											
Shareholders of the Parent	\$ 5,970	\$ 166,232	37.9	\$ 156,259	37.7	\$ 142,766	39.5	\$ 9,973	6.4	\$ 23,466	16.4
Noncontrolling Interests	5	141	0.1	221	-	58	-	(80)	(36.2)	83	143.1
	\$ 5,975	\$ 166,373	38.0	\$ 156,480	37.7	\$ 142,824	39.5	\$ 9,893	6.3	\$ 23,549	16.5
Earnings per Share - Diluted	\$ 0.23	\$ 6.41		\$ 6.03		\$ 5.51		\$ 0.38	6.4	\$ 0.90	16.4
Earnings per ADR - Diluted (2)	\$ 1.15	\$ 32.05		\$ 30.13		\$ 27.53		\$ 1.92	6.4	\$ 4.52	16.4
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\$27.846 for the fourth quarter of 2021.

(2) 1 ADR equals 5 ordinary shares.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income (Audited)

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

Except for Per Share Amounts and Shares Outstanding)

	For the Years Ended December 31						
	2021			2020		YoY	
	USD	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 56,822	\$ 1,587,415	100.0	\$ 1,339,255	100.0	\$ 248,160	18.5
Cost of Revenue	(27,487)	(767,878)	(48.4)	(628,125)	(46.9)	(139,753)	22.2
Gross Profit	29,335	819,537	51.6	711,130	53.1	108,407	15.2
Operating Expenses							
Research and Development Expenses	(4,465)	(124,735)	(7.9)	(109,486)	(8.2)	(15,249)	13.9
Sales, General and Administrative Expenses	(1,592)	(44,488)	(2.8)	(35,570)	(2.6)	(8,918)	25.1
Total Operating Expenses	(6,057)	(169,223)	(10.7)	(145,056)	(10.8)	(24,167)	16.7
Other Operating Income and Expenses	(12)	(333)	-	710	-	(1,043)	(146.9)
Income from Operations	23,266	649,981	40.9	566,784	42.3	83,197	14.7
Non-operating Income and Expenses							
Share of Profits of Associates	201	5,603	0.4	3,593	0.3	2,010	55.9
Net Interest Income (Expenses)	10	294	-	6,937	0.5	(6,643)	(95.8)
Other Gains and Losses	259	7,248	0.5	7,463	0.6	(215)	(2.9)
Total Non-operating Income and Expenses	470	13,145	0.9	17,993	1.4	(4,848)	(26.9)
Income before Income Tax	23,736	663,126	41.8	584,777	43.7	78,349	13.4
Income Tax Expenses	(2,364)	(66,053)	(4.2)	(66,619)	(5.0)	566	(0.8)
Net Income	21,372	597,073	37.6	518,158	38.7	78,915	15.2
Other Comprehensive Losses	(273)	(7,619)	(0.5)	(30,322)	(2.3)	22,703	74.9
Comprehensive Income	\$ 21,099	\$ 589,454	37.1	\$ 487,836	36.4	\$ 101,618	20.8
Net Income Attributable to:							
Shareholders of the Parent	\$ 21,353	\$ 596,540	37.6	\$ 517,885	38.7	\$ 78,655	15.2
Noncontrolling interests	19	533	-	273	-	260	95.2
	\$ 21,372	\$ 597,073	37.6	\$ 518,158	38.7	\$ 78,915	15.2
Earnings per Share - Diluted	\$ 0.82	\$ 23.01		\$ 19.97		\$ 3.04	15.2
Earnings per ADR - Diluted (2)	\$ 4.12	\$ 115.03		\$ 99.86		\$ 15.17	15.2
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\$27.937 for the year ended December 31, 2021.

(2) 1 ADR equals 5 ordinary shares.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Cash Flow Statements

For the Year Ended December 31, 2021 and for the Three Months Ended December 31, 2021, September 30, 2021 and December 31, 2020

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

	2021 (Audited)		4Q 2021 (Unaudited)	3Q 2021 (Unaudited)	4Q 2020 (Unaudited)
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Income Before Income Tax	\$ 23,736	\$ 663,126	\$ 184,819	\$ 173,852	\$ 161,107
Depreciation & Amortization	15,120	422,395	110,663	107,027	97,562
Share of Profits of Associates	(200)	(5,603)	(1,651)	(1,513)	(1,355)
Income Taxes Paid	(2,989)	(83,498)	(158)	(29,365)	(464)
Changes in Working Capital & Others	4,143	115,741	84,527	68,705	2,281
Net Cash Generated by Operating Activities	<u>39,810</u>	<u>1,112,161</u>	<u>378,200</u>	<u>318,706</u>	<u>259,131</u>
Cash Flows from Investing Activities:					
Interest Received	\$ 214	\$ 5,991	\$ 1,521	\$ 1,430	\$ 1,809
Cash Dividend Received	89	2,499	5	1,942	191
Acquisitions of:					
Property, Plant and Equipment	(30,039)	(839,196)	(235,556)	(188,640)	(88,675)
Marketable Financial Instruments	(9,295)	(259,688)	(64,246)	(43,857)	(77,010)
Proceeds from Disposal or Redemption of:					
Property, Plant and Equipment	14	390	176	97	201
Marketable Financial Instruments	9,449	263,973	55,865	52,933	75,486
Others	(370)	(10,335)	(3,108)	(925)	(2,961)
Net Cash Used In Investing Activities	<u>(29,938)</u>	<u>(836,366)</u>	<u>(245,343)</u>	<u>(177,020)</u>	<u>(90,959)</u>
Cash Flows from Financing Activities:					
Increase (Decrease) in Short-term Loans	\$ 1,277	\$ 35,668	\$ (1,862)	\$ (18,094)	\$ (67,347)
Proceeds from Issuance of Bonds	13,051	364,593	157,465	49,318	30,500
Repayment of Bonds	(93)	(2,600)	-	-	-
Interest Paid	(137)	(3,834)	(1,139)	(1,649)	(156)
Cash Dividends Paid for Common Stock	(9,514)	(265,786)	(71,308)	(64,826)	(64,826)
Others	306	8,567	(873)	(73)	625
Net Cash Generated by (Used in) Financing Activities	<u>4,890</u>	<u>136,608</u>	<u>82,283</u>	<u>(35,324)</u>	<u>(101,204)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalen	\$ (272)	\$ (7,584)	\$ (3,962)	\$ (532)	\$ (10,992)
Net Increase in Cash and Cash Equivalents	<u>14,490</u>	<u>404,819</u>	<u>211,178</u>	<u>105,830</u>	<u>55,976</u>
Cash and Cash Equivalents at Beginning of Period	<u>23,631</u>	<u>660,171</u>	<u>853,812</u>	<u>747,982</u>	<u>604,195</u>
Cash and Cash Equivalents at End of Period	<u>\$ 38,121</u>	<u>\$ 1,064,990</u>	<u>\$ 1,064,990</u>	<u>\$ 853,812</u>	<u>\$ 660,171</u>

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$27.937 for the year ended December 31, 2021.