



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, 2022			March 31, 2022		June 30, 2021		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
ASSETS											
Current Assets											
Cash and Cash Equivalents	\$ 42,164	\$ 1,253,189	28.8	\$ 1,151,590	28.8	\$ 747,982	24.2	\$ 101,599	8.8	\$ 505,207	67.5
Investments in Marketable Financial Instruments	5,800	172,379	4.0	130,466	3.3	122,853	4.0	41,913	32.1	49,526	40.3
Accounts Receivable	7,471	222,069	5.1	213,428	5.3	178,260	5.7	8,641	4.0	43,809	24.6
Inventories	7,316	217,438	5.0	200,119	5.0	170,439	5.5	17,319	8.7	46,999	27.6
Other Current Assets	1,372	40,791	1.0	26,635	0.7	21,570	0.7	14,156	53.1	19,221	89.1
Total Current Assets	64,123	1,905,866	43.9	1,722,238	43.1	1,241,104	40.1	183,628	10.7	664,762	53.6
Non-current Assets											
Long-term Investments	2,168	64,440	1.5	45,737	1.2	29,063	1.0	18,703	40.9	35,377	121.7
Property, Plant and Equipment	75,645	2,248,319	51.7	2,104,331	52.7	1,722,679	55.7	143,988	6.8	525,640	30.5
Right-of-use, Intangible and Other Non-current Assets	4,284	127,316	2.9	120,371	3.0	99,969	3.2	6,945	5.8	27,347	27.4
Total Non-current Assets	82,097	2,440,075	56.1	2,270,439	56.9	1,851,711	59.9	169,636	7.5	588,364	31.8
Total Assets	\$ 146,220	\$ 4,345,941	100.0	\$ 3,992,677	100.0	\$ 3,092,815	100.0	\$ 353,264	8.8	\$ 1,253,126	40.5
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-term Loans	\$ 3,889	\$ 115,585	2.6	\$ 144,551	3.6	\$ 139,381	4.5	\$ (28,966)	(20.0)	\$ (23,796)	(17.1)
Accounts Payable	2,012	59,818	1.4	50,104	1.2	41,230	1.3	9,714	19.4	18,588	45.1
Payables to Contractors and Equipment Suppliers	5,400	160,489	3.7	122,916	3.1	107,146	3.5	37,573	30.6	53,343	49.8
Cash Dividends Payable	4,805	142,806	3.3	142,617	3.6	136,135	4.4	189	0.1	6,671	4.9
Accrued Expenses and Other Current Liabilities	11,758	349,484	8.0	345,888	8.7	223,857	7.2	3,596	1.0	125,627	56.1
Current Portion of Bonds Payable and Bank Loans	574	17,059	0.4	16,792	0.4	-	-	267	1.6	17,059	-
Total Current Liabilities	28,438	845,241	19.4	822,868	20.6	647,749	20.9	22,373	2.7	197,492	30.5
Non-current Liabilities											
Bonds Payable	25,365	753,890	17.4	629,650	15.8	410,465	13.3	124,240	19.7	343,425	83.7
Other Non-current Liabilities	7,952	236,348	5.4	218,690	5.5	40,631	1.3	17,658	8.1	195,717	481.7
Total Non-current Liabilities	33,317	990,238	22.8	848,340	21.3	451,096	14.6	141,898	16.7	539,142	119.5
Total Liabilities	61,755	1,835,479	42.2	1,671,208	41.9	1,098,845	35.5	164,271	9.8	736,634	67.0
Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	8,724	259,304	6.0	259,318	6.5	259,304	8.4	(14)	-	-	-
Capital Surplus	2,333	69,334	1.6	65,215	1.6	64,754	2.1	4,119	6.3	4,580	7.1
Legal Capital Reserve	10,468	311,147	7.2	311,147	7.8	311,147	10.0	-	-	-	-
Special Capital Reserve	1,584	47,067	1.1	62,609	1.5	48,393	1.6	(15,542)	(24.8)	(1,326)	(2.7)
Unappropriated Earnings	62,072	1,844,911	42.4	1,664,506	41.7	1,366,782	44.2	180,405	10.8	478,129	35.0
Treasury Stock	-	-	-	(872)	-	-	-	872	(100.0)	-	-
Others	(1,191)	(35,410)	(0.8)	(47,493)	(1.2)	(58,594)	(1.9)	12,083	25.4	23,184	39.6
Equity Attributable to Shareholders of the Parent	83,990	2,496,353	57.5	2,314,430	57.9	1,991,786	64.4	181,923	7.9	504,567	25.3
Noncontrolling Interests	475	14,109	0.3	7,039	0.2	2,184	0.1	7,070	100.4	11,925	546.0
Total Shareholders' Equity	84,465	2,510,462	57.8	2,321,469	58.1	1,993,970	64.5	188,993	8.1	516,492	25.9
Total Liabilities & Shareholders' Equity	\$ 146,220	\$ 4,345,941	100.0	\$ 3,992,677	100.0	\$ 3,092,815	100.0	\$ 353,264	8.8	\$ 1,253,126	40.5

Note :
(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$29.722 as of June 30, 2022.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income (Unaudited)

For the Three Months Ended June 30, 2022, March 31, 2022, June 30, 2021

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

Except for Per Share Amounts and Shares Outstanding)

	2Q 2022			1Q 2022		2Q 2021		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 18,158	\$ 534,141	100.0	\$ 491,076	100.0	\$ 372,145	100.0	\$ 43,065	8.8	\$ 161,996	43.5
Cost of Revenue	(7,434)	(218,673)	(40.9)	(217,873)	(44.4)	(185,948)	(50.0)	(800)	0.4	(32,725)	17.6
Gross Profit	10,724	315,468	59.1	273,203	55.6	186,197	50.0	42,265	15.5	129,271	69.4
Operating Expenses											
Research and Development Expenses	(1,348)	(39,650)	(7.4)	(36,048)	(7.3)	(30,874)	(8.3)	(3,602)	10.0	(8,776)	28.4
Sales, General and Administrative Expenses	(466)	(13,725)	(2.6)	(12,563)	(2.6)	(9,709)	(2.6)	(1,162)	9.2	(4,016)	41.4
Total Operating Expenses	(1,814)	(53,375)	(10.0)	(48,611)	(9.9)	(40,583)	(10.9)	(4,764)	9.8	(12,792)	31.5
Other Operating Income and Expenses	1	31	-	(802)	(0.1)	53	-	833	NM	(22)	(41.5)
Income from Operations	8,911	262,124	49.1	223,790	45.6	145,667	39.1	38,334	17.1	116,457	79.9
Non-operating Income and Expenses											
Share of Profits of Associates	76	2,257	0.4	1,726	0.3	1,172	0.3	531	30.8	1,085	92.6
Net Interest Income (Expenses)	22	642	0.1	(467)	(0.1)	294	0.1	1,109	NM	348	118.4
Other Gains and Losses	33	975	0.2	1,783	0.4	2,258	0.6	(808)	(45.3)	(1,283)	(56.8)
Total Non-operating Income and Expenses	131	3,874	0.7	3,042	0.6	3,724	1.0	832	27.4	150	4.0
Income Before Income Tax	9,042	265,998	49.8	226,832	46.2	149,391	40.1	39,166	17.3	116,607	78.1
Income Tax Expenses	(979)	(28,817)	(5.4)	(23,959)	(4.9)	(14,910)	(4.0)	(4,858)	20.3	(13,907)	93.3
Net Income	8,063	237,181	44.4	202,873	41.3	134,481	36.1	34,308	16.9	102,700	76.4
Other Comprehensive Income (Losses)	387	11,378	2.1	15,412	3.2	(10,201)	(2.7)	(4,034)	(26.2)	21,579	NM
Comprehensive Income	\$ 8,450	\$ 248,559	46.5	\$ 218,285	44.5	\$ 124,280	33.4	\$ 30,274	13.9	\$ 124,279	100.0
Net Income Attributable to:											
Shareholders of the Parent	\$ 8,057	\$ 237,027	44.4	\$ 202,733	41.3	\$ 134,359	36.1	\$ 34,294	16.9	\$ 102,668	76.4
Noncontrolling Interests	6	154	-	140	-	122	-	14	10.0	32	26.2
	\$ 8,063	\$ 237,181	44.4	\$ 202,873	41.3	\$ 134,481	36.1	\$ 34,308	16.9	\$ 102,700	76.4
Earnings per Share - Diluted	\$ 0.31	\$ 9.14		\$ 7.82		\$ 5.18		\$ 1.32	16.9	\$ 3.96	76.4
Earnings per ADR - Diluted (2)	\$ 1.55	\$ 45.71		\$ 39.09		\$ 25.91		\$ 6.62	16.9	\$ 19.80	76.4
Weighted Average Outstanding Shares - Diluted ('M)		25,929		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\$29.417 for the second quarter of 2022.

(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						
	2022			2021		YoY	
	USD	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 35,725	\$ 1,025,217	100.0	\$ 734,555	100.0	\$ 290,662	39.6
Cost of Revenue	(15,212)	(436,546)	(42.6)	(358,519)	(48.8)	(78,027)	21.8
Gross Profit	20,513	588,671	57.4	376,036	51.2	212,635	56.5
Operating Expenses							
Research and Development Expenses	(2,638)	(75,698)	(7.4)	(61,630)	(8.4)	(14,068)	22.8
Sales, General and Administrative Expenses	(916)	(26,288)	(2.5)	(18,065)	(2.5)	(8,223)	45.5
Total Operating Expenses	(3,554)	(101,986)	(9.9)	(79,695)	(10.9)	(22,291)	28.0
Other Operating Income and Expenses	(27)	(771)	(0.1)	(136)	-	(635)	(466.9)
Income from Operations	16,932	485,914	47.4	296,205	40.3	189,709	64.0
Non-operating Income and Expenses							
Share of Profits of Associates	139	3,983	0.4	2,439	0.3	1,544	63.3
Net Interest Income (Expenses)	6	175	-	983	0.1	(808)	(82.2)
Other Gains and Losses	96	2,758	0.3	4,828	0.7	(2,070)	(42.9)
Total Non-operating Income and Expenses	241	6,916	0.7	8,250	1.1	(1,334)	(16.2)
Income before Income Tax	17,173	492,830	48.1	304,455	41.4	188,375	61.9
Income Tax Expenses	(1,839)	(52,776)	(5.2)	(30,235)	(4.1)	(22,541)	74.6
Net Income	15,334	440,054	42.9	274,220	37.3	165,834	60.5
Other Comprehensive Income (Losses)	933	26,790	2.6	(4,234)	(0.5)	31,024	NM
Comprehensive Income	\$ 16,267	\$ 466,844	45.5	\$ 269,986	36.8	\$ 196,858	72.9
Net Income Attributable to:							
Shareholders of the Parent	\$ 15,324	\$ 439,760	42.9	\$ 274,049	37.3	\$ 165,711	60.5
Noncontrolling interests	10	294	-	171	-	123	71.9
	\$ 15,334	\$ 440,054	42.9	\$ 274,220	37.3	\$ 165,834	60.5
Earnings per Share - Diluted	\$ 0.59	\$ 16.96		\$ 10.57		\$ 6.39	60.5
Earnings per ADR - Diluted (2)	\$ 2.95	\$ 84.80		\$ 52.84		\$ 31.96	60.5
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\$28.698 for the six months ended June 30, 2022.

(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, 2022 and for the Three Months Ended June 30, 2022, March 31, 2022 and June 30, 2021

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

	Six Months 2022		2Q 2022	1Q 2022	2Q 2021
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Income Before Income Tax	\$ 17,173	\$ 492,830	\$ 265,998	\$ 226,832	\$ 149,391
Depreciation & Amortization	7,817	224,327	113,225	111,102	103,805
Share of Profits of Associates	(139)	(3,983)	(2,257)	(1,726)	(1,172)
Income Taxes Paid	(2,094)	(60,103)	(59,461)	(642)	(53,573)
Changes in Working Capital & Others	2,019	57,948	21,344	36,604	(11,012)
Net Cash Generated by Operating Activities	<u>24,776</u>	<u>711,019</u>	<u>338,849</u>	<u>372,170</u>	<u>187,439</u>
Cash Flows from Investing Activities:					
Interest Received	\$ 151	\$ 4,323	\$ 2,796	\$ 1,527	\$ 1,546
Cash Dividend Received	18	531	531	-	383
Acquisitions of:					
Property, Plant and Equipment	(16,721)	(479,858)	(217,723)	(262,135)	(166,971)
Marketable Financial Instruments	(4,223)	(121,189)	(65,199)	(55,990)	(73,923)
Proceeds from Disposal or Redemption of:					
Property, Plant and Equipment	23	673	64	609	59
Marketable Financial Instruments	1,215	34,857	5,603	29,254	74,007
Others	(116)	(3,343)	(2,004)	(1,339)	(4,853)
Net Cash Used In Investing Activities	<u>(19,653)</u>	<u>(564,006)</u>	<u>(275,932)</u>	<u>(288,074)</u>	<u>(169,752)</u>
Cash Flows from Financing Activities:					
Increase (Decrease) in Short-term Loans	\$ 141	\$ 4,049	\$ (26,480)	\$ 30,529	\$ 3,552
Proceeds from Issuance of Bonds	4,476	128,443	108,843	19,600	136,710
Interest Paid	(162)	(4,657)	(3,553)	(1,104)	(273)
Cash Dividends Paid for Common Stock	(4,970)	(142,617)	(71,309)	(71,308)	(64,826)
Repurchase of Treasury Stock	(30)	(872)	-	(872)	-
Others	545	15,648	11,579	4,069	(132)
Net Cash Generated by (Used in) Financing Activities	<u>-</u>	<u>(6)</u>	<u>19,080</u>	<u>(19,086)</u>	<u>75,031</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	\$ 1,435	\$ 41,192	\$ 19,602	\$ 21,590	\$ (9,464)
Net Increase in Cash and Cash Equivalents	<u>6,558</u>	<u>188,199</u>	<u>101,599</u>	<u>86,600</u>	<u>83,254</u>
Cash and Cash Equivalents at Beginning of Period	<u>37,110</u>	<u>1,064,990</u>	<u>1,151,590</u>	<u>1,064,990</u>	<u>664,728</u>
Cash and Cash Equivalents at End of Period	<u>\$ 43,668</u>	<u>\$ 1,253,189</u>	<u>\$ 1,253,189</u>	<u>\$ 1,151,590</u>	<u>\$ 747,982</u>

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$28.698 for the six months ended June 30, 2022.