Unleash Innovation

2026 Second Quarter Earnings Conference

July 16, 2026

Agenda

• Welcome	Jeff Su, IR Director
• 2Q26 Financial Results and 3Q26 Outlook	Wendell Huang, CFO
• Key Messages	Wendell Huang, CFO
	C.C. Wei, Chairman & CEO
• Q&A	

Safe Harbor Notice

- TSMC's statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.
- Information as to those factors that could cause actual results to vary can be found in TSMC's 2025 Annual Report on Form 20-F filed with the United States Securities and Exchange Commission (the "SEC") on April 16, 2026 and such other documents as TSMC may file with, or submit to, the SEC from time to time.
- Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

Statements of Comprehensive Income

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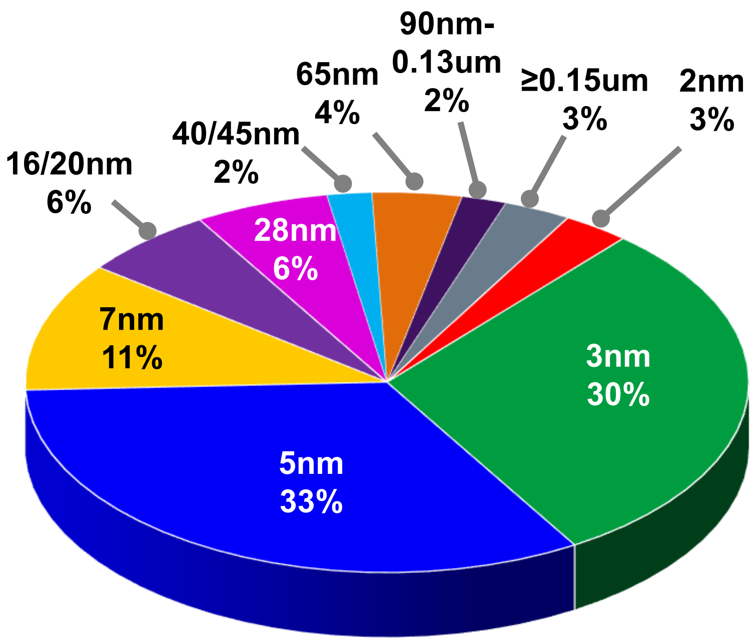
Selected Items from Statements of Comprehensive Income

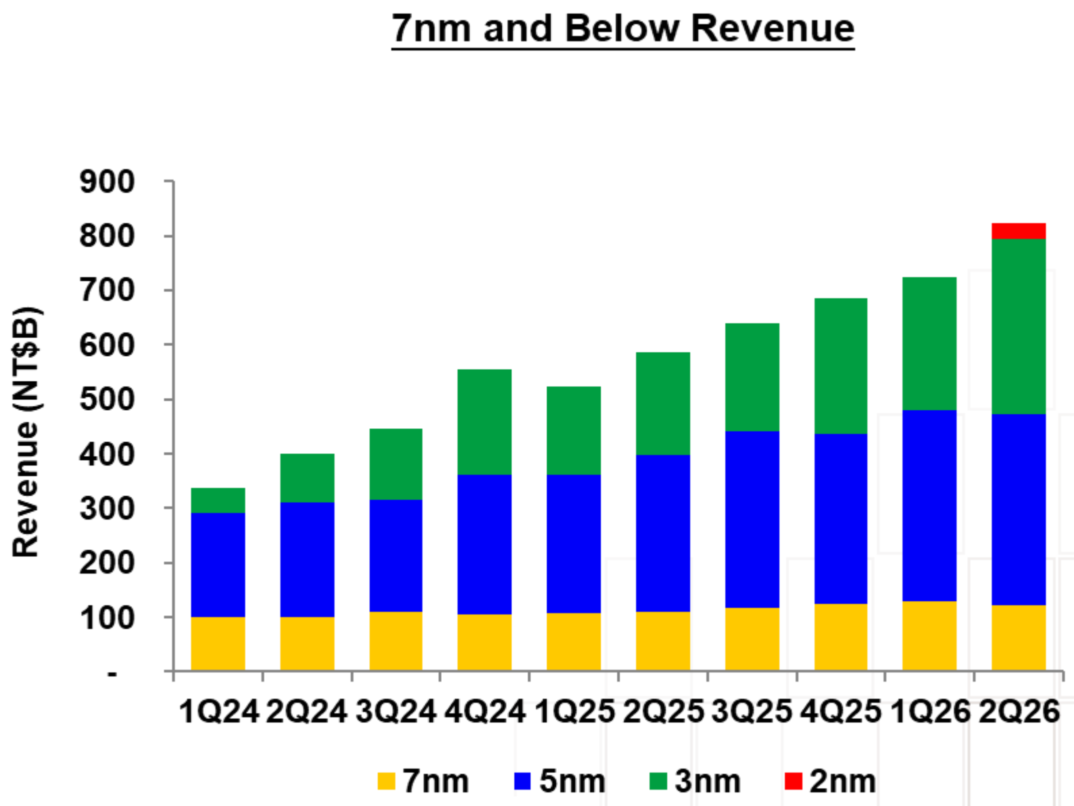
(In NT$ billions unless otherwise noted)	2Q26	2Q26 Guidance	1Q26	2Q25	2Q26 Over 1Q26	2Q26 Over 2Q25
Net Revenue (US$ billions)	40.20	39.0-40.2	35.90	30.07	+12.0%	+33.7%
Net Revenue	1,270.38		1,134.10	933.79	+12.0%	+36.0%
Gross Margin	**67.7%**	**65.5%-67.5%**	**66.2%**	**58.6%**	**+1.5 ppts**	**+9.1 ppts**
Operating Expenses	(98.98)		(94.01)	(84.51)	+5.3%	+17.1%
Operating Margin	**60.3%**	**56.5%-58.5%**	**58.1%**	**49.6%**	**+2.2 ppts**	**+10.7 ppts**
Non-Operating Items	95.83		28.83	29.61	+232.3%	+223.6%
Net Income Attributable to Shareholders of the Parent Company	706.56		572.48	398.27	+23.4%	+77.4%
Net Profit Margin	**55.6%**		**50.5%**	**42.7%**	**+5.1 ppts**	**+12.9 ppts**
EPS (NT Dollar)	27.25		22.08	15.36	+23.4%	+77.4%
ROE	45.9%		40.5%	34.8%	+5.4 ppts	+11.1 ppts
Shipment (Kpcs, 12"-equiv. Wafer)	4,336		4,174	3,718	+3.9%	+16.6%
Average Exchange Rate--USD/NTD	31.60	31.7	31.59	31.05	+0.0%	+1.8%

* Diluted weighted average outstanding shares were 25,932mn units in 2Q26

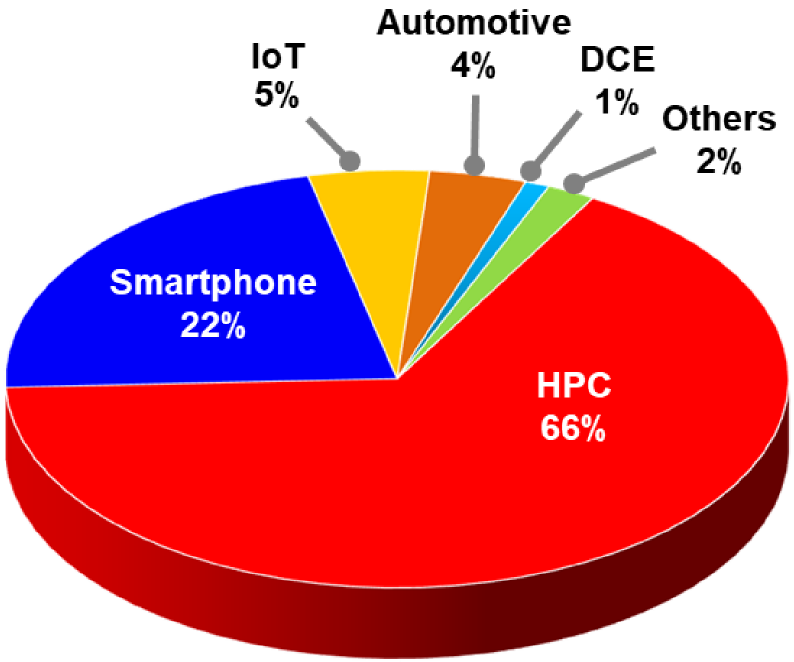
** ROE figures are annualized based on average equity attributable to shareholders of the parent company

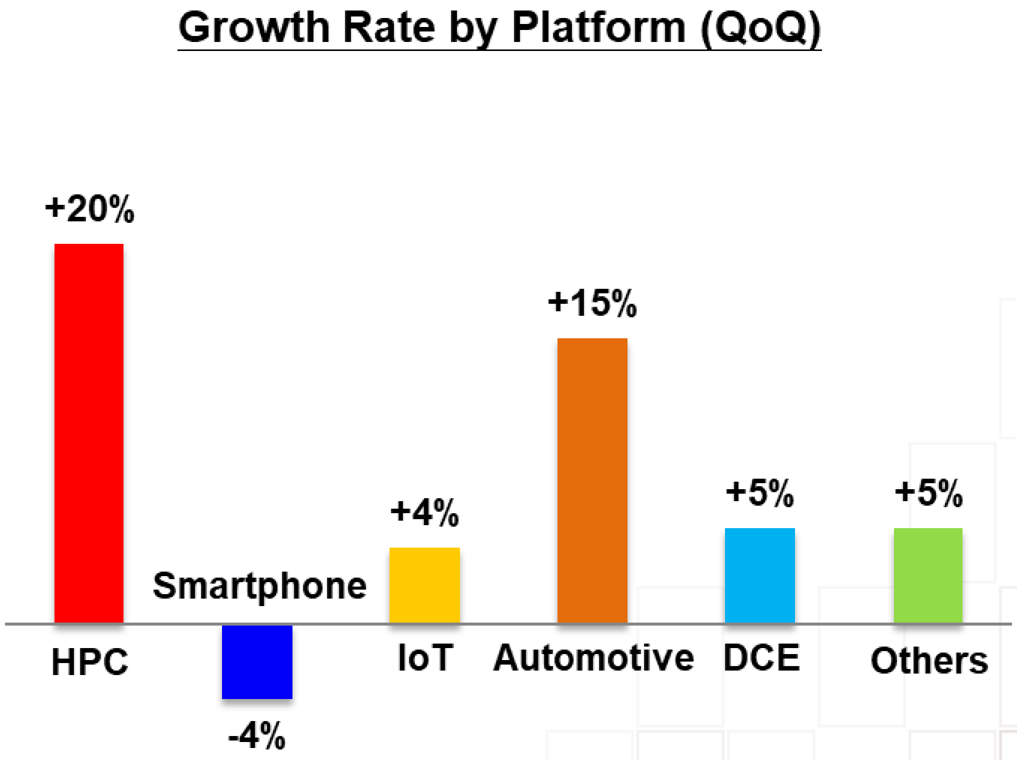
2Q26 Revenue by Technology





2Q26 Revenue by Platform





Balance Sheets & Key Indices

Selected Items from Balance Sheets	2Q26		1Q26		2Q25	
(In NT$ billions)	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	3,518.01	37.5 %	3,383.60	39.0 %	2,634.43	37.6 %
Accounts Receivable	440.92	4.7 %	363.01	4.2 %	235.69	3.4 %
Inventories	385.53	4.1 %	311.45	3.6 %	304.19	4.3 %
Long-term Investments	227.93	2.4 %	166.57	1.9 %	137.43	2.0 %
Net PP&E	4,302.88	45.9 %	3,954.68	45.7 %	3,386.21	48.3 %
Total Assets	**9,375.65**	**100.0 %**	**8,660.95**	**100.0 %**	**7,006.35**	**100.0 %**
Current Liabilities	1,857.76	19.8 %	1,714.25	19.8 %	1,377.31	19.7 %
Long-term Interest-bearing Debts	864.27	9.2 %	901.02	10.4 %	883.67	12.6 %
Total Liabilities	**2,901.18**	**30.9 %**	**2,728.56**	**31.5 %**	**2,389.72**	**34.1 %**
Total Shareholders' Equity	**6,474.47**	**69.1 %**	**5,932.39**	**68.5 %**	**4,616.63**	**65.9 %**
Key Indices						
A/R Turnover Days	**29**		**26**		**23**	
Inventory Turnover Days	**87**		**80**		**76**	
Current Ratio (x)	**2.5**		**2.5**		**2.4**	
Asset Productivity (x)	**1.2**		**1.2**		**1.1**	

* Total outstanding shares were 25,932mn units at 6/30/26

** Asset productivity = Annualized net revenue / Average net PP&E

Cash Flows

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(In NT$ billions)	2Q26	1Q26	2Q25
Beginning Balance	**3,035.64**	**2,767.86**	**2,394.80**
Cash from operating activities	783.36	698.97	497.07
Capital expenditures	(496.00)	(350.76)	(297.22)
Cash dividends	(155.59)	(129.66)	(116.70)
Bonds payable	(31.66)	12.40	3.70
Investments and others	(1.53)	36.83	(117.13)
Ending Balance	**3,134.22**	**3,035.64**	**2,364.52**
Free Cash Flow *	287.36	348.21	199.85

* Free cash flow = Cash from operating activities – Capital expenditures

3Q26 Guidance

Based on our current business outlook, management expects:

- Revenue to be between US$44.6 billion and US$45.8 billion

And, based on the exchange rate assumption of 1 US dollar to 32 NT dollars, management expects:

- Gross profit margin to be between 65% and 67%
- Operating profit margin to be between 56% and 58%

Future Outlook

Based on our current business outlook, management expects:

- 2026 revenue to increase by slightly above 40% in US dollar terms

Recap of Recent Major Events

- **TSMC Sold 8.1% of Vanguard International Semiconductor (2026/05/15)**
- **TSMC Board of Directors Approved NT$7.00 Cash Dividend for the First Quarter of 2026 and Set September 16, 2026 as Ex-Dividend Date, September 22, 2026 as the Record Date and October 8, 2026 as the Distribution Date (2026/05/12)**
- **Sony Semiconductor Solutions and TSMC Entered Preliminary Agreement for Next-Generation Image Sensor Strategic Partnership (2026/05/08)**
- **TSMC Debuted A13 Technology at 2026 North America Technology Symposium (2026/04/23)**

- Please visit TSMC's website (https://www.tsmc.com) and Market Observation Post System (https://mops.twse.com.tw) for details and other announcements

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