Unleash Innovation

2026 Third Quarter Earnings Conference

October 15, 2026

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Agenda

• Welcome	Jeff Su, IR Director
• 3Q26 Financial Results and 4Q26 Outlook	Wendell Huang, CFO
• Key Messages	Wendell Huang, CFO
	C.C. Wei, Chairman & CEO
• Q&A	

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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

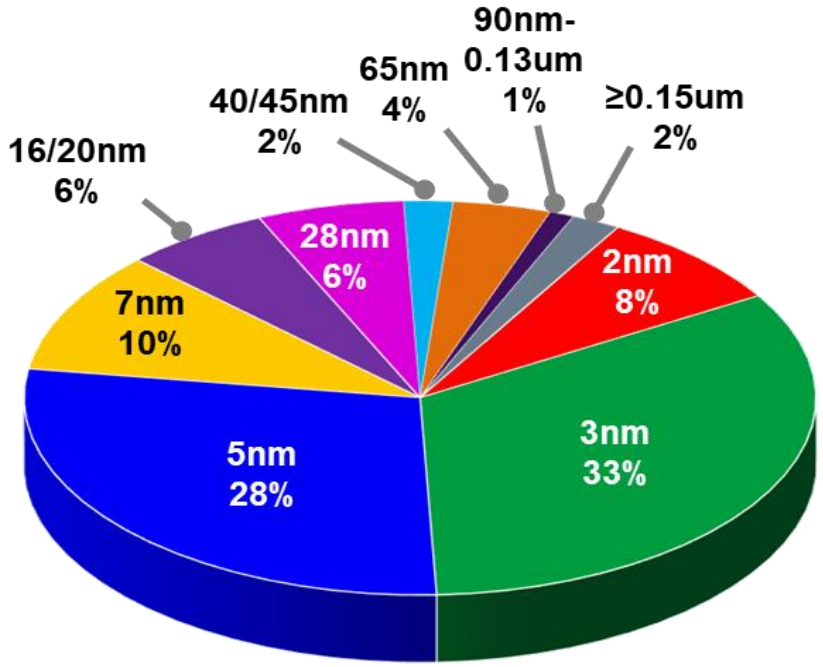
Selected Items from Statements of Comprehensive Income

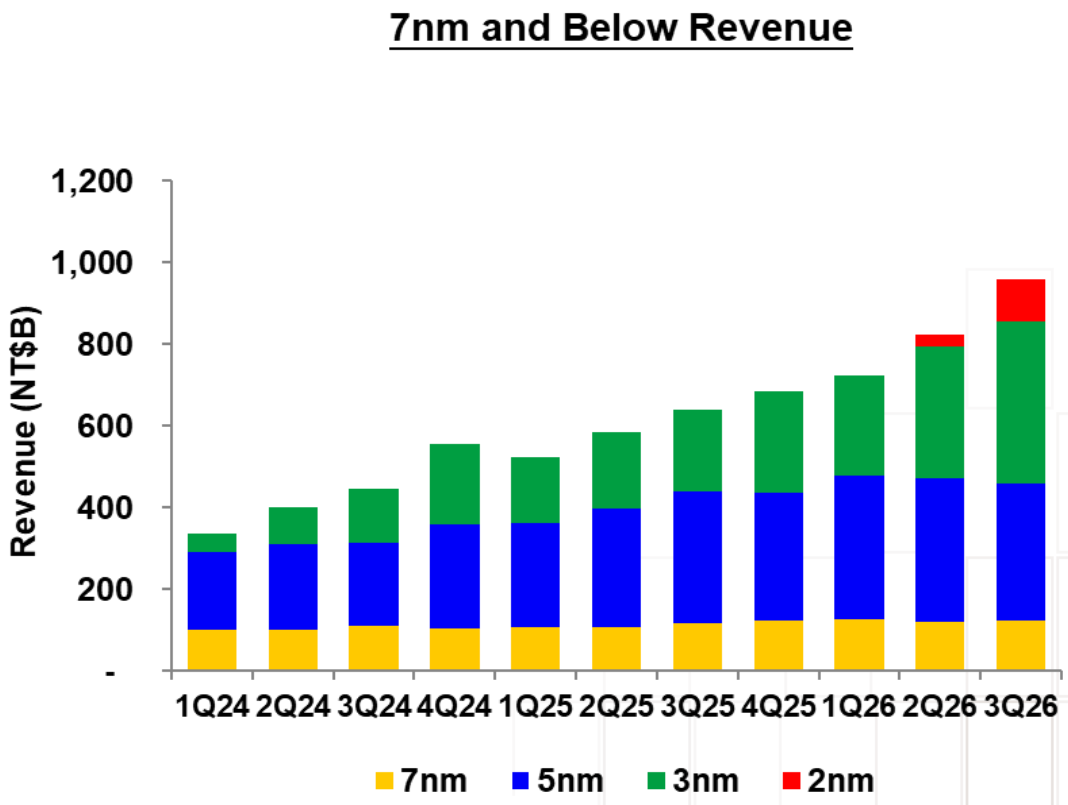
(In NT$ billions unless otherwise noted)	3Q26	3Q26 Guidance	2Q26	3Q25	3Q26 Over 2Q26	3Q26 Over 3Q25
Net Revenue (US$ billions)	46.72	44.6-45.8	40.20	33.10	+16.2%	+41.2%
Net Revenue	1,494.24		1,270.38	989.92	+17.6%	+50.9%
Gross Margin	**66.4%**	**65.0%-67.0%**	**67.7%**	**59.5%**	**-1.3 ppts**	**+6.9 ppts**
Operating Expenses	(116.43)		(98.98)	(87.76)	+17.6%	+32.7%
Operating Margin	**58.7%**	**56.0%-58.0%**	**60.3%**	**50.6%**	**-1.6 ppts**	**+8.1 ppts**
Non-Operating Items	34.59		95.83	24.68	-63.9%	+40.1%
Net Income Attributable to Shareholders of the Parent Company	763.06		706.56	452.30	+8.0%	+68.7%
Net Profit Margin	**51.1%**		**55.6%**	**45.7%**	**-4.5 ppts**	**+5.4 ppts**
EPS (NT Dollar)	29.43		27.25	17.44	+8.0%	+68.7%
ROE	45.5%		45.9%	37.8%	-0.4 ppts	+7.7 ppts
Shipment (Kpcs, 12"-equiv. Wafer)	4,476		4,336	4,085	+3.2%	+9.6%
Average Exchange Rate--USD/NTD	31.98	32.0	31.60	29.91	+1.2%	+6.9%

* Diluted weighted average outstanding shares were 25,932mn units in 3Q26

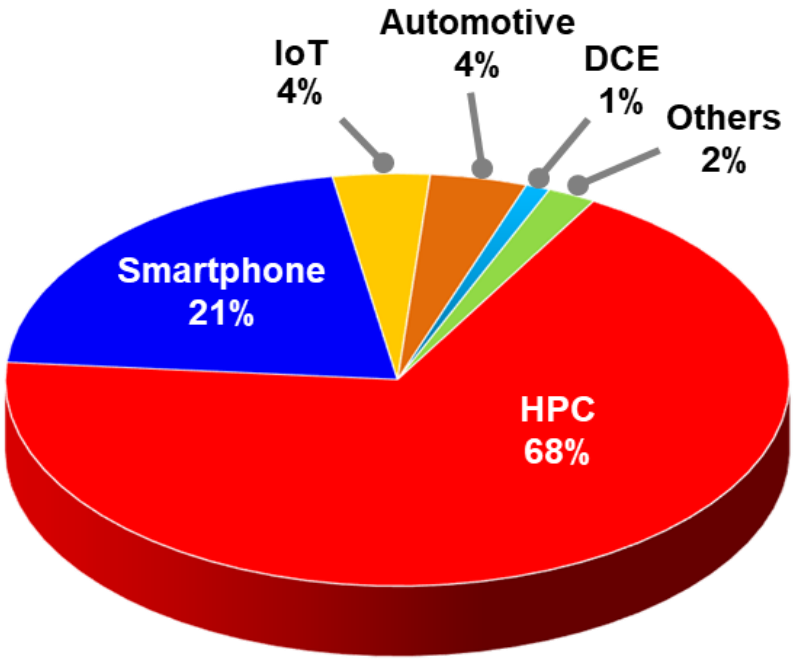
** ROE figures are annualized based on average equity attributable to shareholders of the parent company

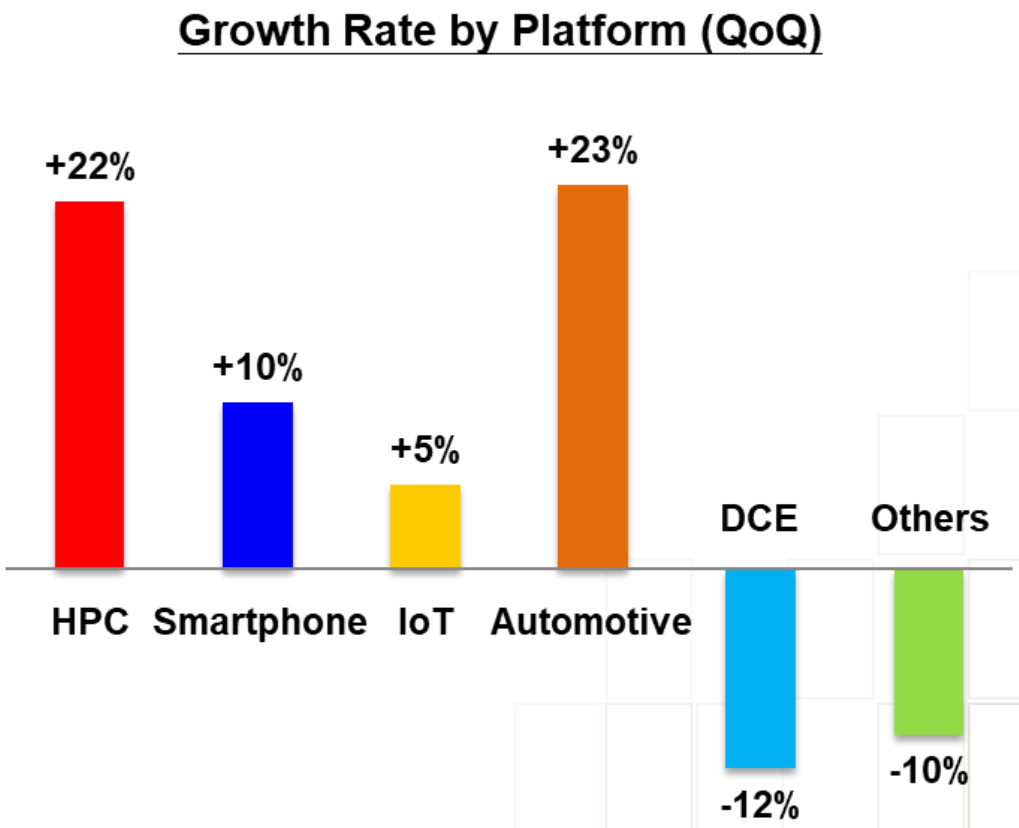
3Q26 Revenue by Technology





3Q26 Revenue by Platform





Balance Sheets & Key Indices

Selected Items from Balance Sheets	3Q26		2Q26		3Q25	
(In NT$ billions)	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	4,016.98	39.9 %	3,518.01	37.5 %	2,751.06	37.4 %
Accounts Receivable	483.56	4.8 %	440.92	4.7 %	307.81	4.2 %
Inventories	427.75	4.3 %	385.53	4.1 %	288.69	3.9 %
Long-term Investments	224.63	2.2 %	227.93	2.4 %	148.98	2.0 %
Net PP&E	4,526.49	45.0 %	4,302.88	45.9 %	3,499.34	47.6 %
Total Assets	**10,052.89**	**100.0 %**	**9,375.65**	**100.0 %**	**7,354.11**	**100.0 %**
Current Liabilities	1,967.75	19.6 %	1,857.76	19.8 %	1,275.91	17.3 %
Long-term Interest-bearing Debts	818.38	8.1 %	864.27	9.2 %	918.23	12.5 %
Total Liabilities	**3,009.66**	**29.9 %**	**2,901.18**	**30.9 %**	**2,318.53**	**31.5 %**
Total Shareholders' Equity	**7,043.23**	**70.1 %**	**6,474.47**	**69.1 %**	**5,035.58**	**68.5 %**
Key Indices						
A/R Turnover Days	**28**		**29**		**25**	
Inventory Turnover Days	**82**		**87**		**74**	
Current Ratio (x)	**2.6**		**2.5**		**2.7**	
Asset Productivity (x)	**1.4**		**1.2**		**1.2**	

* Total outstanding shares were 25,932mn units at 9/30/26

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

Cash Flows

(In NT$ billions)	3Q26	2Q26	3Q25
Beginning Balance	**3,134.22**	**3,035.64**	**2,364.52**
Cash from operating activities	919.77	783.36	426.83
Capital expenditures	(443.21)	(496.00)	(287.45)
Cash dividends	(155.59)	(155.59)	(116.70)
Bonds payable	(0.85)	(31.66)	(9.06)
Investments and others	167.55	(1.53)	92.62
Ending Balance	**3,621.89**	**3,134.22**	**2,470.76**
Free Cash Flow *	476.56	287.36	139.38

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

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4Q26 Guidance

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Based on our current business outlook, management expects:

- **Revenue to be between US$52.3 billion and US$54.3 billion**

And, based on the exchange rate assumption of 1 US dollar to 31.8 NT dollars, management expects:

- **Gross profit margin to be between 65% and 67%**
- **Operating profit margin to be between 56.5% and 58.5%**

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Recap of Recent Major Events

- **ASML and TSMC Announce Initiative to Pioneer Industry Transition to Large-Format Photomasks for High NA EUV (2026/09/08)**
- **Sony Semiconductor Solutions and TSMC Agreed to Establish Joint Venture for Next-Generation Image Sensors (2026/08/11)**
- **TSMC Board of Directors Approved NT$7.00 Cash Dividend for the Second Quarter of 2026 and Set December 10, 2026 as Ex-Dividend Date, December 16, 2026 as the Record Date and January 7, 2027 as the Distribution Date (2026/08/11)**

- 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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