

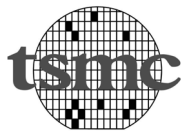
TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED BALANCE SHEET

As of June 30, 2004 and 2003

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

ASSETS	June 30, 2004			June 30, 2003		YoY	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash	2,432	82,142	18.7	66,546	18.3	15,596	23.4
Short Term Investment	1,220	41,199	9.4	3,054	0.8	38,145	1249.0
Accounts Receivable	913	30,841	7.0	24,990	6.9	5,851	23.4
Inventories	347	11,725	2.7	11,356	3.1	369	3.3
Other Current Assets	234	7,908	1.8	5,074	1.4	2,834	55.9
Total Current Assets	5,146	173,815	39.5	111,019	30.6	62,796	56.6
Long Term Investment	1,457	49,217	11.2	35,122	9.7	14,095	40.1
Fixed Assets	14,074	475,348	108.1	414,710	114.3	60,638	14.6
Less Accumulated Depreciation	(8,145)	(275,066)	(62.5)	(218,916)	(60.3)	(56,150)	25.6
Net Fixed Assets	5,929	200,282	45.5	195,794	54.0	4,488	2.3
Other Assets	489	16,513	3.8	20,917	5.8	(4,404)	(21.1)
Total Assets	13,021	439,827	100.0	362,852	100.0	76,975	21.2
LIABILITIES							
Accounts Payables	354	11,971	2.7	8,745	2.4	3,226	36.9
Payables to Contractors and Equipment Suppliers	256	8,658	2.0	6,560	1.8	2,098	32.0
Accrued Expenses and Other Current Liabilities	694	23,418	5.3	6,669	1.8	16,749	251.1
Current Portion of Bonds Payable	148	5,000	1.1	0	0.0	5,000	-
Total Current Liabilities	1,452	49,047	11.2	21,974	6.1	27,073	123.2
Bonds Payable	888	30,000	6.8	35,000	9.6	(5,000)	(14.3)
Other Long Term Liabilities	287	9,706	2.2	7,617	2.1	2,089	27.4
Total Liabilities	2,627	88,753	20.2	64,591	17.8	24,162	37.4
SHAREHOLDERS' EQUITY							
Capital Stock	6,921	233,766	53.1	186,229	51.3	47,537	25.5
Entitlement Certificate	0	0	0.0	16,437	4.5	(16,437)	-
Capital Surplus	1,684	56,886	12.9	56,841	15.7	45	0.1
Legal Reserve	756	25,528	5.8	20,802	5.7	4,726	22.7
Special Reserve	0	0	0.0	69	0.0	(69)	-
Retained Earnings	1,288	43,517	9.9	19,058	5.3	24,459	128.3
Treasury Stock	(257)	(8,676)	(2.0)	(1,922)	(0.5)	(6,754)	351.4
Unrealized Loss on Long-term Investments	0	0	0.0	(8)	(0.0)	8	-
Cumulated Translation Adjustment	2	53	0.0	755	0.2	(702)	(93.0)
Total Equity	10,394	351,074	79.8	298,261	82.2	52,812	17.7
Total Liabilities & Shareholders' Equity	13,021	439,827	100.0	362,852	100.0	76,975	21.2

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NT\$33.78 per U.S. dollar as of June 30, 2004.



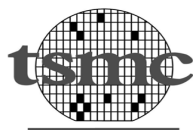
TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED BALANCE SHEET

As of June 30 and March 31, 2004

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

ASSETS	June 30, 2004			March 31, 2004		QoQ	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash	2,432	82,142	18.7	106,508	25.3	(24,366)	(22.9)
Short Term Investment	1,220	41,199	9.4	19,829	4.7	21,370	107.8
Accounts Receivable	913	30,841	7.0	27,249	6.5	3,592	13.2
Inventories	347	11,725	2.7	11,015	2.6	710	6.5
Other Current Assets	234	7,908	1.8	11,116	2.6	(3,208)	(28.9)
Total Current Assets	5,146	173,815	39.5	175,717	41.7	(1,902)	(1.1)
Long Term Investment	1,457	49,217	11.2	37,979	9.0	11,238	29.6
Fixed Assets	14,074	475,348	108.1	457,611	108.7	17,737	3.9
Less Accumulated Depreciation	(8,145)	(275,066)	(62.5)	(261,678)	(62.2)	(13,388)	5.1
Net Fixed Assets	5,929	200,282	45.5	195,932	46.5	4,350	2.2
Other Assets	489	16,513	3.8	11,410	2.7	5,103	44.7
Total Assets	13,021	439,827	100.0	421,038	100.0	18,789	4.5
LIABILITIES							
Accounts Payables	354	11,971	2.7	12,624	3.0	(653)	(5.2)
Payables to Contractors and Equipment Suppliers	256	8,658	2.0	12,648	3.0	(3,990)	(31.5)
Accrued Expenses and Other Current Liabilities	694	23,418	5.3	7,810	1.9	15,608	199.8
Current Portion of Bonds Payable	148	5,000	1.1	5,000	1.2	0	0.0
Total Current Liabilities	1,452	49,047	11.2	38,082	9.0	10,965	28.8
Bonds Payable	888	30,000	6.8	30,000	7.1	0	0.0
Other Long Term Liabilities	287	9,706	2.2	6,370	1.5	3,336	52.4
Total Liabilities	2,627	88,753	20.2	74,452	17.7	14,301	19.2
SHAREHOLDERS' EQUITY							
Capital Stock	6,921	233,766	53.1	202,666	48.1	31,100	15.3
Capital Surplus	1,684	56,886	12.9	56,861	13.5	25	0.0
Legal Reserve	756	25,528	5.8	20,802	4.9	4,726	22.7
Special Reserve	0	0	0.0	69	0.0	(69)	-
Retained Earnings	1,288	43,517	9.9	69,018	16.4	(25,501)	(36.9)
Treasury Stock	(257)	(8,676)	(2.0)	(2,102)	(0.5)	(6,574)	312.7
Unrealized Loss on Long-term Investments	0	0	0.0	(0)	(0.0)	0	-
Cumulated Translation Adjustment	2	53	0.0	(728)	(0.2)	781	-
Total Equity	10,394	351,074	79.8	346,586	82.3	4,488	1.3
Total Liabilities & Shareholders' Equity	13,021	439,827	100.0	421,038	100.0	18,789	4.5

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NT\$33.78 per U.S. dollar as of June 30, 2004.



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the Three Months Ended June 30, 2004 and 2003

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

Except for Per Share Amounts and Shares Outstanding)

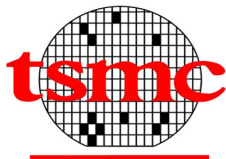
	Year over Year Comparison					Sequential Comparison				
	2Q 2004		% of	2Q 2003	YoY	2Q 2004		% of	1Q 2004	QoQ
	USD	NTD	Sales	NTD	Inc(Dec) %	USD	NTD	Sales	NTD	Inc(Dec) %
Net Sales	1,944	64,869	100.0	49,922	29.9	1,944	64,869	100.0	57,513	12.8
Cost of Sales	(1,101)	(36,730)	(56.6)	(31,571)	16.3	(1,101)	(36,730)	(56.6)	(34,784)	5.6
Gross Profit	843	28,139	43.4	18,351	53.3	843	28,139	43.4	22,729	23.8
Operating Expenses										
General and Administrative Expenses	(78)	(2,604)	(4.0)	(1,563)	66.6	(78)	(2,604)	(4.0)	(2,031)	28.2
Selling and Marketing Expenses	(13)	(437)	(0.7)	(371)	17.7	(13)	(437)	(0.7)	(297)	47.1
Research and Development Expenses	(89)	(2,964)	(4.6)	(3,077)	(3.7)	(89)	(2,964)	(4.6)	(2,861)	3.6
Total Operating Expenses	(180)	(6,005)	(9.3)	(5,011)	19.8	(180)	(6,005)	(9.3)	(5,189)	15.7
Income from Operations	663	22,134	34.1	13,340	65.9	663	22,134	34.1	17,540	26.2
Net Non-operating Income (Expenses)	(8)	(264)	(0.4)	(1,578)	(83.3)	(8)	(264)	(0.4)	92	-
Investment Gain	37	1,251	1.9	810	54.4	37	1,251	1.9	803	55.8
Income before Income Tax	692	23,121	35.6	12,572	83.9	692	23,121	35.6	18,435	25.4
Income Tax Credit (Expenses)	9	289	0.4	(842)	-	9	289	0.4	354	(18.4)
Net Income	701	23,410	36.1	11,730	99.6	701	23,410	36.1	18,789	24.6
Diluted Earnings Per Ordinary Share ⁽²⁾	0.03	1.00		0.50	101.0	0.03	1.00		0.81	24.6
Earnings Per ADR ⁽³⁾	0.15	5.02		2.50		0.15	5.02		4.04	
Weighted Average Outstanding Shares ('M) ⁽⁴⁾		23,301		23,325			23,301		23,342	

Note:(1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD33.37 per U.S. dollar for the second quarter of 2004.

(2) EPS calculation for 2Q '03 is after deducting a cash dividend payment on NT\$13,000 million of preferred stock paying an annual rate of 3.5% at the period from January 1 to May 29, 2003. The preferred stock was redeemed on May 29, 2003.

(3) 1 ADR equals 5 ordinary shares.

(4) Total weighted average outstanding shares for 2Q '03 and 1Q '04 are retroactively adjusted for stock dividends and stock bonus.



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the Six Months Ended June 30, 2004 and 2003

Attachment C

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

Except for Per Share Amounts and Shares Outstanding)

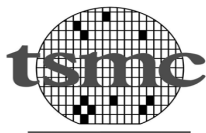
	6 months ended June 30				
	2004 USD	2004 NTD	% of Sales	2003 NTD	YoY Inc(Dec) %
Net Sales	3,662	122,382	100.0	89,247	37.1
Cost of Sales	(2,140)	(71,514)	(58.4)	(60,510)	18.2
Gross Profit	1,522	50,868	41.6	28,737	77.0
Operating Expenses					
General and Administrative Expenses	(139)	(4,636)	(3.8)	(2,958)	56.7
Selling and Marketing Expenses	(22)	(733)	(0.6)	(655)	11.8
Research and Development Expenses	(174)	(5,825)	(4.8)	(5,589)	4.2
Total Operating Expenses	(335)	(11,194)	(9.1)	(9,202)	21.6
Income from Operations	1,187	39,674	32.4	19,535	103.1
Net Non-operating Expenses	(5)	(172)	(0.1)	(2,077)	(91.7)
Investment Gain (Loss)	61	2,054	1.7	(705)	-
Income before Income Tax	1,244	41,556	34.0	16,753	148.1
Income Tax Credit (Expenses)	19	643	0.5	(665)	-
Net Income	1,263	42,199	34.5	16,088	162.3
Diluted Earnings Per Ordinary Share ⁽²⁾	0.05	1.81		0.68	165.6
Earnings Per ADR ⁽³⁾	0.27	9.06		3.41	
Weighted Average Outstanding Shares ('M) ⁽⁴⁾		23,301		23,325	

Note:(1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 33.42 per U.S. dollar for the six months of 2004.

(2) EPS calculation for 2Q '03 is after deducting a cash dividend payment on NT\$13,000 million of preferred stock paying an annual rate of 3.5% at the period from January 1 to May 29, 2003. The preferred stock was redeemed on May 29, 2003.

(3) 1 ADR equals 5 ordinary shares.

(4) Total weighted average outstanding shares for the six months ended June 30, 2003, are retroactively adjusted for stock dividends and stock bonus.



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the Six Months and Three Months Ended June 30, 2004

(Figures in Million of New Taiwan Dollars (NTD) and U.S. Dollars (USD)) ⁽¹⁾

	6 Months 2004		2Q 2004	1Q 2004
	USD	NTD	NTD	NTD
Cash Flows from Operating Activities:				
Net Income	1,263	42,198	23,409	18,789
Depreciation & Amortization	930	31,086	15,997	15,089
Investment Loss (Gain) Recognized by Equity Method	(61)	(2,054)	(1,251)	(803)
Loss on Property, Plant, Equipment and Idle Assets	-	-	-	-
Gain on Sale of Long-Term Investments	-	(2)	(2)	-
Deferred Income Tax	(28)	(921)	(567)	(354)
Changes in Working Capital & Others	(45)	(1,520)	(1,500)	(20)
Net Cash Provided from Operating Activities	2,059	68,787	36,086	32,701
Cash Flows from Investing Activities:				
Increase in Short-Term Investments	(959)	(32,043)	(24,773)	(7,270)
Acquisition of Fixed Assets	(1,172)	(39,179)	(22,828)	(16,351)
Proceeds from Disposal of Properties	7	250	182	68
Decrease in Deposit-Out	5	151	-	151
Increase in Long-Term Investments	(178)	(5,943)	(5,775)	(168)
Proceeds from Sales of Long-Term Investments	-	8	8	-
Increase in Deferred Assets	(19)	(641)	(314)	(327)
Decrease in Other Assets	-	-	-	-
Net Cash Used in Investing Activities	(2,316)	(77,397)	(53,500)	(23,897)
Cash Flows from Financing Activities:				
Decrease in Bonds Payable	-	-	-	-
Decrease in Guarantee Deposits & Others	(5)	(164)	(57)	(107)
Increase in Treasury Stocks	(211)	(7,060)	(6,583)	(477)
Decrease in Preferred Shares	-	-	-	-
Cash Dividend - Preferred Shares	(6)	(184)	(184)	-
Bonus Paid to Directors and Supervisors	(4)	(128)	(128)	-
Net Cash Used in Financing Activities	(226)	(7,536)	(6,952)	(584)
Net Increase (Decrease) in Cash and Cash Equivalents	(483)	(16,146)	(24,366)	8,220
Cash and Cash Equivalents at Beginning of Period	2,941	98,288	106,508	98,288
Cash and Cash Equivalents at End of Period	2,458	82,142	82,142	106,508

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NTD33.42 per U.S. dollar, the weighted average exchange rate for the six months of 2004.