



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Balance Sheets

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

ASSETS	March 31, 2021 (Unaudited)			December 31, 2020 (Audited)		March 31, 2020 (Unaudited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Current Assets											
Cash and Cash Equivalents	\$ 23,318	\$ 664,728	22.8	\$ 660,171	23.9	\$ 430,777	18.4	\$ 4,557	0.7	\$ 233,951	54.3
Investments in Marketable Financial Instruments	4,630	131,994	4.5	131,306	4.8	130,776	5.6	688	0.5	1,218	0.9
Accounts Receivable	5,875	167,479	5.7	146,038	5.3	146,421	6.2	21,441	14.7	21,058	14.4
Inventories	5,422	154,568	5.3	137,353	5.0	78,278	3.3	17,215	12.5	76,290	97.5
Other Current Assets	738	21,018	0.7	17,317	0.6	16,218	0.7	3,701	21.4	4,800	29.6
Total Current Assets	39,983	1,139,787	39.0	1,092,185	39.6	802,470	34.2	47,602	4.4	337,317	42.0
Non-current Assets											
Long-term Investments	1,022	29,130	1.0	27,728	1.0	31,033	1.3	1,402	5.1	(1,903)	(6.1)
Property, Plant and Equipment	58,181	1,658,551	56.8	1,555,589	56.3	1,438,216	61.4	102,962	6.6	220,335	15.3
Right-of-use, Intangible and Other Non-current Assets	3,215	91,663	3.2	85,209	3.1	71,577	3.1	6,454	7.6	20,086	28.1
Total Non-current Assets	62,418	1,779,344	61.0	1,668,526	60.4	1,540,826	65.8	110,818	6.6	238,518	15.5
Total Assets	\$ 102,401	\$ 2,919,131	100.0	\$ 2,760,711	100.0	\$ 2,343,296	100.0	\$ 158,420	5.7	\$ 575,835	24.6
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-term Loans	\$ 4,810	\$ 137,124	4.7	\$ 88,559	3.2	\$ 139,310	5.9	\$ 48,565	54.8	\$ (2,186)	(1.6)
Accounts Payable	1,354	38,598	1.3	41,095	1.5	39,774	1.7	(2,497)	(6.1)	(1,176)	(3.0)
Payables to Contractors and Equipment Suppliers	3,825	109,037	3.7	157,805	5.7	101,466	4.3	(48,768)	(30.9)	7,571	7.5
Cash Dividends Payable	4,548	129,652	4.5	129,652	4.7	129,652	5.5	-	-	-	-
Accrued Expenses and Other Current Liabilities	8,673	247,237	8.5	197,440	7.2	166,466	7.1	49,797	25.2	80,771	48.5
Current Portion of Bonds Payable	-	-	-	2,600	0.1	12,800	0.6	(2,600)	(100.0)	(12,800)	(100.0)
Total Current Liabilities	23,210	661,648	22.7	617,151	22.4	589,468	25.1	44,497	7.2	72,180	12.2
Non-current Liabilities											
Bonds Payable	9,711	276,838	9.5	254,105	9.2	46,475	2.0	22,733	8.9	230,363	495.7
Other Non-current Liabilities	1,391	39,648	1.3	38,833	1.4	30,324	1.3	815	2.1	9,324	30.7
Total Non-current Liabilities	11,102	316,486	10.8	292,938	10.6	76,799	3.3	23,548	8.0	239,687	312.1
Total Liabilities	34,312	978,134	33.5	910,089	33.0	666,267	28.4	68,045	7.5	311,867	46.8
Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	9,096	259,304	8.9	259,304	9.4	259,304	11.1	-	-	-	-
Capital Surplus	2,272	64,753	2.2	56,347	2.0	56,340	2.4	8,406	14.9	8,413	14.9
Legal Capital Reserve	10,915	311,147	10.7	311,147	11.3	311,147	13.3	-	-	-	-
Special Capital Reserve	1,918	54,680	1.9	42,259	1.5	27,568	1.2	12,421	29.4	27,112	98.3
Unappropriated Earnings	45,513	1,297,445	44.4	1,235,280	44.8	1,046,781	44.7	62,165	5.0	250,664	23.9
Others	(1,698)	(48,393)	(1.7)	(54,680)	(2.0)	(24,874)	(1.1)	6,287	11.5	(23,519)	(94.6)
Equity Attributable to Shareholders of the Parent	68,016	1,938,936	66.4	1,849,657	67.0	1,676,266	71.6	89,279	4.8	262,670	15.7
Noncontrolling Interests	73	2,061	0.1	965	-	763	-	1,096	113.6	1,298	170.1
Total Shareholders' Equity	68,089	1,940,997	66.5	1,850,622	67.0	1,677,029	71.6	90,375	4.9	263,968	15.7
Total Liabilities & Shareholders' Equity	\$ 102,401	\$ 2,919,131	100.0	\$ 2,760,711	100.0	\$ 2,343,296	100.0	\$ 158,420	5.7	\$ 575,835	24.6

Note :

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$28.507 as of March 31, 2021.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income (Unaudited)

For the Three Months Ended March 31, 2021, December 31, 2020, March 31, 2020

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

Except for Per Share Amounts and Shares Outstanding)

	1Q 2021			4Q 2020		1Q 2020		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 12,919	\$ 362,410	100.0	\$ 361,533	100.0	\$ 310,597	100.0	\$ 877	0.2	\$ 51,813	16.7
Cost of Revenue	(6,152)	(172,571)	(47.6)	(166,297)	(46.0)	(149,820)	(48.2)	(6,274)	3.8	(22,751)	15.2
Gross Profit	6,767	189,839	52.4	195,236	54.0	160,777	51.8	(5,397)	(2.8)	29,062	18.1
Operating Expenses											
Research and Development Expenses	(1,096)	(30,756)	(8.5)	(29,940)	(8.3)	(24,969)	(8.0)	(816)	2.7	(5,787)	23.2
Sales, General and Administrative Expenses	(298)	(8,356)	(2.3)	(8,381)	(2.3)	(7,354)	(2.4)	25	(0.3)	(1,002)	13.6
Total Operating Expenses	(1,394)	(39,112)	(10.8)	(38,321)	(10.6)	(32,323)	(10.4)	(791)	2.1	(6,789)	21.0
Other Operating Income and Expenses	(7)	(189)	(0.1)	205	0.1	68	-	(394)	(192.2)	(257)	(377.9)
Income from Operations	5,366	150,538	41.5	157,120	43.5	128,522	41.4	(6,582)	(4.2)	22,016	17.1
Non-operating Income and Expenses											
Share of Profits of Associates	45	1,267	0.4	1,355	0.4	726	0.2	(88)	(6.5)	541	74.5
Net Interest Income (Expenses)	25	689	0.2	885	0.2	2,458	0.8	(196)	(22.1)	(1,769)	(72.0)
Other Gains and Losses	92	2,570	0.7	1,747	0.5	441	0.1	823	47.1	2,129	482.8
Total Non-operating Income and Expenses	162	4,526	1.3	3,987	1.1	3,625	1.1	539	13.5	901	24.9
Income Before Income Tax	5,528	155,064	42.8	161,107	44.6	132,147	42.5	(6,043)	(3.8)	22,917	17.3
Income Tax Expenses	(547)	(15,325)	(4.2)	(18,283)	(5.1)	(15,084)	(4.8)	2,958	(16.2)	(241)	1.6
Net Income	4,981	139,739	38.6	142,824	39.5	117,063	37.7	(3,085)	(2.2)	22,676	19.4
Other Comprehensive Income (Losses)	213	5,967	1.6	(15,651)	(4.3)	2,648	0.8	21,618	NM	3,319	125.3
Comprehensive Income	\$ 5,194	\$ 145,706	40.2	\$ 127,173	35.2	\$ 119,711	38.5	\$ 18,533	14.6	\$ 25,995	21.7
Net Income Attributable to:											
Shareholders of the Parent	\$ 4,980	\$ 139,690	38.6	\$ 142,766	39.5	\$ 116,987	37.7	\$ (3,076)	(2.2)	\$ 22,703	19.4
Noncontrolling Interests	1	49	-	58	-	76	-	(9)	(15.5)	(27)	(35.5)
	\$ 4,981	\$ 139,739	38.6	\$ 142,824	39.5	\$ 117,063	37.7	\$ (3,085)	(2.2)	\$ 22,676	19.4
Earnings per Share - Diluted	\$ 0.19	\$ 5.39		\$ 5.51		\$ 4.51		\$ (0.12)	(2.2)	\$ 0.88	19.4
Earnings per ADR - Diluted (2)	\$ 0.96	\$ 26.94		\$ 27.53		\$ 22.56		\$ (0.59)	(2.2)	\$ 4.38	19.4
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\$28.053 for the first quarter of 2021.

(2) 1 ADR equals 5 ordinary shares.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES
Consolidated Condensed Cash Flow Statements (Unaudited)

For the Three Months Ended March 31, 2021, December 31, 2020 and March 31, 2020

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

	1Q 2021		4Q 2020	1Q 2020
	USD	NTD	NTD	NTD
Cash Flows from Operating Activities:				
Income Before Income Tax	\$ 5,528	\$ 155,064	\$ 161,107	\$ 132,147
Depreciation & Amortization	3,597	100,900	97,562	68,554
Share of Profits of Associates	(45)	(1,267)	(1,355)	(726)
Income Taxes Paid	(15)	(402)	(464)	(1,379)
Changes in Working Capital & Others	(944)	(26,479)	2,281	4,433
Net Cash Generated by Operating Activities	8,121	227,816	259,131	203,029
Cash Flows from Investing Activities:				
Interest Received	\$ 53	\$ 1,494	\$ 1,809	\$ 3,038
Cash Dividend Received	6	169	191	111
Acquisitions of:				
Property, Plant and Equipment	(8,841)	(248,029)	(88,675)	(192,560)
Marketable Financial Instruments	(2,768)	(77,662)	(77,010)	(56,528)
Proceeds from Disposal or Redemption of:				
Property, Plant and Equipment	2	58	201	66
Marketable Financial Instruments	2,893	81,168	75,486	57,186
Others	(52)	(1,449)	(2,961)	(306)
Net Cash Used In Investing Activities	(8,707)	(244,251)	(90,959)	(188,993)
Cash Flows from Financing Activities:				
Increase (Decrease) in Short-term Loans	\$ 1,856	\$ 52,072	\$ (67,347)	\$ 20,348
Proceeds from Issuance of Bonds	752	21,100	30,500	24,000
Repayment of Bonds	(92)	(2,600)	-	(21,600)
Interest Paid	(28)	(773)	(156)	(977)
Cash Dividends Paid for Common Stock	(2,311)	(64,826)	(64,826)	(64,826)
Others	344	9,645	625	2,298
Net Cash Generated by (Used in) Financing Activities	521	14,618	(101,204)	(40,757)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	\$ 227	\$ 6,374	\$ (10,992)	\$ 2,099
Net Increase (Decrease) in Cash and Cash Equivalents	162	4,557	55,976	(24,622)
Cash and Cash Equivalents at Beginning of Period	23,533	660,171	604,195	455,399
Cash and Cash Equivalents at End of Period	\$ 23,695	\$ 664,728	\$ 660,171	\$ 430,777

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$28.053 for the three months ended March 31, 2021.