



**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")) <sup>(1)</sup>

ASSETS	June 30, 2021			March 31, 2021		June 30, 2020		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
<b>Current Assets</b>											
Cash and Cash Equivalents	\$ 26,820	\$ 747,982	24.2	\$ 664,728	22.8	\$ 467,614	19.1	\$ 83,254	12.5	\$ 280,368	60.0
Investments in Marketable Financial Instruments	4,405	122,853	4.0	131,994	4.5	137,402	5.6	(9,141)	(6.9)	(14,549)	(10.6)
Accounts Receivable	6,392	178,260	5.7	167,479	5.7	149,600	6.1	10,781	6.4	28,660	19.2
Inventories	6,111	170,439	5.5	154,568	5.3	85,788	3.5	15,871	10.3	84,651	98.7
Other Current Assets	773	21,570	0.7	21,018	0.7	19,628	0.8	552	2.6	1,942	9.9
<b>Total Current Assets</b>	<b>44,501</b>	<b>1,241,104</b>	<b>40.1</b>	<b>1,139,787</b>	<b>39.0</b>	<b>860,032</b>	<b>35.1</b>	<b>101,317</b>	<b>8.9</b>	<b>381,072</b>	<b>44.3</b>
<b>Non-current Assets</b>											
Long-term Investments	1,042	29,063	1.0	29,130	1.0	22,917	0.9	(67)	(0.2)	6,146	26.8
Property, Plant and Equipment	61,769	1,722,679	55.7	1,658,551	56.8	1,493,561	61.0	64,128	3.9	229,118	15.3
Right-of-use, Intangible and Other Non-current Assets	3,585	99,969	3.2	91,663	3.2	72,155	3.0	8,306	9.1	27,814	38.5
<b>Total Non-current Assets</b>	<b>66,396</b>	<b>1,851,711</b>	<b>59.9</b>	<b>1,779,344</b>	<b>61.0</b>	<b>1,588,633</b>	<b>64.9</b>	<b>72,367</b>	<b>4.1</b>	<b>263,078</b>	<b>16.6</b>
<b>Total Assets</b>	<b>\$ 110,897</b>	<b>\$ 3,092,815</b>	<b>100.0</b>	<b>\$ 2,919,131</b>	<b>100.0</b>	<b>\$ 2,448,665</b>	<b>100.0</b>	<b>\$ 173,684</b>	<b>5.9</b>	<b>\$ 644,150</b>	<b>26.3</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>											
<b>Current Liabilities</b>											
Short-term Loans	\$ 4,998	\$ 139,381	4.5	\$ 137,124	4.7	\$ 169,547	6.9	\$ 2,257	1.6	\$ (30,166)	(17.8)
Accounts Payable	1,478	41,230	1.3	38,598	1.3	39,534	1.6	2,632	6.8	1,696	4.3
Payables to Contractors and Equipment Suppliers	3,842	107,146	3.5	109,037	3.7	97,739	4.0	(1,891)	(1.7)	9,407	9.6
Cash Dividends Payable	4,881	136,135	4.4	129,652	4.5	129,652	5.3	6,483	5.0	6,483	5.0
Accrued Expenses and Other Current Liabilities	8,027	223,857	7.2	247,237	8.5	165,524	6.8	(23,380)	(9.5)	58,333	35.2
Current Portion of Bonds Payable	-	-	-	-	-	12,800	0.5	-	-	(12,800)	(100.0)
<b>Total Current Liabilities</b>	<b>23,226</b>	<b>647,749</b>	<b>20.9</b>	<b>661,648</b>	<b>22.7</b>	<b>614,796</b>	<b>25.1</b>	<b>(13,899)</b>	<b>(2.1)</b>	<b>32,953</b>	<b>5.4</b>
<b>Non-current Liabilities</b>											
Bonds Payable	14,717	410,465	13.3	276,838	9.5	82,439	3.4	133,627	48.3	328,026	397.9
Other Non-current Liabilities	1,457	40,631	1.3	39,648	1.3	30,216	1.2	983	2.5	10,415	34.5
<b>Total Non-current Liabilities</b>	<b>16,174</b>	<b>451,096</b>	<b>14.6</b>	<b>316,486</b>	<b>10.8</b>	<b>112,655</b>	<b>4.6</b>	<b>134,610</b>	<b>42.5</b>	<b>338,441</b>	<b>300.4</b>
<b>Total Liabilities</b>	<b>39,400</b>	<b>1,098,845</b>	<b>35.5</b>	<b>978,134</b>	<b>33.5</b>	<b>727,451</b>	<b>29.7</b>	<b>120,711</b>	<b>12.3</b>	<b>371,394</b>	<b>51.1</b>
<b>Equity Attributable to Shareholders of the Parent</b>											
Capital Stock at Par Value	9,298	259,304	8.4	259,304	8.9	259,304	10.6	-	-	-	-
Capital Surplus	2,322	64,754	2.1	64,753	2.2	56,340	2.3	1	-	8,414	14.9
Legal Capital Reserve	11,156	311,147	10.0	311,147	10.7	311,147	12.7	-	-	-	-
Special Capital Reserve	1,735	48,393	1.6	54,680	1.9	24,874	1.0	(6,287)	(11.5)	23,519	94.6
Unappropriated Earnings	49,008	1,366,782	44.2	1,297,445	44.4	1,105,471	45.2	69,337	5.3	261,311	23.6
Others	(2,101)	(58,594)	(1.9)	(48,393)	(1.7)	(36,758)	(1.5)	(10,201)	(21.1)	(21,836)	(59.4)
<b>Equity Attributable to Shareholders of the Parent</b>	<b>71,418</b>	<b>1,991,786</b>	<b>64.4</b>	<b>1,938,936</b>	<b>66.4</b>	<b>1,720,378</b>	<b>70.3</b>	<b>52,850</b>	<b>2.7</b>	<b>271,408</b>	<b>15.8</b>
<b>Noncontrolling Interests</b>	<b>79</b>	<b>2,184</b>	<b>0.1</b>	<b>2,061</b>	<b>0.1</b>	<b>836</b>	<b>-</b>	<b>123</b>	<b>6.0</b>	<b>1,348</b>	<b>161.2</b>
<b>Total Shareholders' Equity</b>	<b>71,497</b>	<b>1,993,970</b>	<b>64.5</b>	<b>1,940,997</b>	<b>66.5</b>	<b>1,721,214</b>	<b>70.3</b>	<b>52,973</b>	<b>2.7</b>	<b>272,756</b>	<b>15.8</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 110,897</b>	<b>\$ 3,092,815</b>	<b>100.0</b>	<b>\$ 2,919,131</b>	<b>100.0</b>	<b>\$ 2,448,665</b>	<b>100.0</b>	<b>\$ 173,684</b>	<b>5.9</b>	<b>\$ 644,150</b>	<b>26.3</b>

Note :  
(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$27.889 as of June 30, 2021.

**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES**

**Consolidated Condensed Statements of Comprehensive Income (Unaudited)**

For the Three Months Ended June 30, 2021, March 31, 2021, June 30, 2020

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

Except for Per Share Amounts and Shares Outstanding)

	2Q 2021			1Q 2021		2Q 2020		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 13,289	\$ 372,145	100.0	\$ 362,410	100.0	\$ 310,699	100.0	\$ 9,735	2.7	\$ 61,446	19.8
Cost of Revenue	(6,640)	(185,948)	(50.0)	(172,571)	(47.6)	(146,076)	(47.0)	(13,377)	7.8	(39,872)	27.3
Gross Profit	6,649	186,197	50.0	189,839	52.4	164,623	53.0	(3,642)	(1.9)	21,574	13.1
Operating Expenses											
Research and Development Expenses	(1,103)	(30,874)	(8.3)	(30,756)	(8.5)	(24,893)	(8.0)	(118)	0.4	(5,981)	24.0
Sales, General and Administrative Expenses	(347)	(9,709)	(2.6)	(8,356)	(2.3)	(8,628)	(2.8)	(1,353)	16.2	(1,081)	12.5
Total Operating Expenses	(1,450)	(40,583)	(10.9)	(39,112)	(10.8)	(33,521)	(10.8)	(1,471)	3.8	(7,062)	21.1
Other Operating Income and Expenses	2	53	-	(189)	(0.1)	(8)	-	242	NM	61	NM
Income from Operations	5,201	145,667	39.1	150,538	41.5	131,094	42.2	(4,871)	(3.2)	14,573	11.1
Non-operating Income and Expenses											
Share of Profits of Associates	42	1,172	0.3	1,267	0.4	679	0.2	(95)	(7.5)	493	72.6
Net Interest Income (Expenses)	10	294	0.1	689	0.2	2,070	0.7	(395)	(57.3)	(1,776)	(85.8)
Other Gains and Losses	81	2,258	0.6	2,570	0.7	2,556	0.8	(312)	(12.1)	(298)	(11.7)
Total Non-operating Income and Expenses	133	3,724	1.0	4,526	1.3	5,305	1.7	(802)	(17.7)	(1,581)	(29.8)
Income Before Income Tax	5,334	149,391	40.1	155,064	42.8	136,399	43.9	(5,673)	(3.7)	12,992	9.5
Income Tax Expenses	(532)	(14,910)	(4.0)	(15,325)	(4.2)	(15,507)	(5.0)	415	(2.7)	597	(3.8)
Net Income	4,802	134,481	36.1	139,739	38.6	120,892	38.9	(5,258)	(3.8)	13,589	11.2
Other Comprehensive Income (Losses)	(364)	(10,201)	(2.7)	5,967	1.6	(11,883)	(3.8)	(16,168)	(271.0)	1,682	14.2
Comprehensive Income	\$ 4,438	\$ 124,280	33.4	\$ 145,706	40.2	\$ 109,009	35.1	\$ (21,426)	(14.7)	\$ 15,271	14.0
Net Income Attributable to:											
Shareholders of the Parent	\$ 4,798	\$ 134,359	36.1	\$ 139,690	38.6	\$ 120,822	38.9	\$ (5,331)	(3.8)	\$ 13,537	11.2
Noncontrolling Interests	4	122	-	49	-	70	-	73	149.0	52	74.3
	\$ 4,802	\$ 134,481	36.1	\$ 139,739	38.6	\$ 120,892	38.9	\$ (5,258)	(3.8)	\$ 13,589	11.2
Earnings per Share - Diluted	\$ 0.19	\$ 5.18		\$ 5.39		\$ 4.66		\$ (0.21)	(3.8)	\$ 0.52	11.2
Earnings per ADR - Diluted (2)	\$ 0.93	\$ 25.91		\$ 26.94		\$ 23.30		\$ (1.03)	(3.8)	\$ 2.61	11.2
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\$28.005 for the second quarter of 2021.

(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"))<sup>(1)</sup>

Except for Per Share Amounts and Shares Outstanding)

	For the Six Months Ended June 30						
	2021			2020		YoY	
	USD	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 26,208	\$ 734,555	100.0	\$ 621,296	100.0	\$ 113,259	18.2
Cost of Revenue	(12,792)	(358,519)	(48.8)	(295,896)	(47.6)	(62,623)	21.2
Gross Profit	13,416	376,036	51.2	325,400	52.4	50,636	15.6
Operating Expenses							
Research and Development Expenses	(2,199)	(61,630)	(8.4)	(49,862)	(8.0)	(11,768)	23.6
Sales, General and Administrative Expenses	(644)	(18,065)	(2.5)	(15,982)	(2.6)	(2,083)	13.0
Total Operating Expenses	(2,843)	(79,695)	(10.9)	(65,844)	(10.6)	(13,851)	21.0
Other Operating Income and Expenses	(5)	(136)	-	60	-	(196)	(326.7)
Income from Operations	10,568	296,205	40.3	259,616	41.8	36,589	14.1
Non-operating Income and Expenses							
Share of Profits of Associates	87	2,439	0.3	1,405	0.2	1,034	73.6
Net Interest Income (Expenses)	35	983	0.1	4,528	0.7	(3,545)	(78.3)
Other Gains and Losses	172	4,828	0.7	2,997	0.5	1,831	61.1
Total Non-operating Income and Expenses	294	8,250	1.1	8,930	1.4	(680)	(7.6)
Income before Income Tax	10,862	304,455	41.4	268,546	43.2	35,909	13.4
Income Tax Expenses	(1,079)	(30,235)	(4.1)	(30,591)	(4.9)	356	(1.2)
Net Income	9,783	274,220	37.3	237,955	38.3	36,265	15.2
Other Comprehensive Losses	(151)	(4,234)	(0.5)	(9,235)	(1.5)	5,001	54.2
Comprehensive Income	\$ 9,632	\$ 269,986	36.8	\$ 228,720	36.8	\$ 41,266	18.0
Net Income Attributable to:							
Shareholders of the Parent	\$ 9,777	\$ 274,049	37.3	\$ 237,809	38.3	\$ 36,240	15.2
Noncontrolling interests	6	171	-	146	-	25	17.1
	\$ 9,783	\$ 274,220	37.3	\$ 237,955	38.3	\$ 36,265	15.2
Earnings per Share - Diluted	\$ 0.38	\$ 10.57		\$ 9.17		\$ 1.40	15.2
Earnings per ADR - Diluted (2)	\$ 1.89	\$ 52.84		\$ 45.86		\$ 6.98	15.2
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\$28.029 for the six months ended June 30, 2021.

(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, 2021 and for the Three Months Ended June 30, 2021, March 31, 2021 and June 30, 2020**

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

	Six Months 2021		2Q 2021	1Q 2021	2Q 2020
	USD	NTD	NTD	NTD	NTD
<b>Cash Flows from Operating Activities:</b>					
Income Before Income Tax	\$ 10,862	\$ 304,455	\$ 149,391	\$ 155,064	\$ 136,399
Depreciation & Amortization	7,303	204,705	103,805	100,900	70,876
Share of Profits of Associates	(87)	(2,439)	(1,172)	(1,267)	(679)
Income Taxes Paid	(1,926)	(53,975)	(53,573)	(402)	(31,164)
Changes in Working Capital & Others	(1,337)	(37,491)	(11,012)	(26,479)	(5,097)
Net Cash Generated by Operating Activities	<u>14,815</u>	<u>415,255</u>	<u>187,439</u>	<u>227,816</u>	<u>170,335</u>
<b>Cash Flows from Investing Activities:</b>					
Interest Received	\$ 109	\$ 3,040	\$ 1,546	\$ 1,494	\$ 2,921
Cash Dividend Received	20	552	383	169	529
Acquisitions of:					
Property, Plant and Equipment	(14,806)	(415,000)	(166,971)	(248,029)	(126,698)
Marketable Financial Instruments	(5,408)	(151,585)	(73,923)	(77,662)	(68,201)
Proceeds from Disposal or Redemption of:					
Property, Plant and Equipment	4	117	59	58	116
Marketable Financial Instruments	5,536	155,175	74,007	81,168	69,042
Others	(225)	(6,302)	(4,853)	(1,449)	(7,459)
Net Cash Used In Investing Activities	<u>(14,770)</u>	<u>(414,003)</u>	<u>(169,752)</u>	<u>(244,251)</u>	<u>(129,750)</u>
<b>Cash Flows from Financing Activities:</b>					
Increase in Short-term Loans	\$ 1,985	\$ 55,624	\$ 3,552	\$ 52,072	\$ 32,231
Proceeds from Issuance of Bonds	5,630	157,810	136,710	21,100	36,000
Repayment of Bonds	(93)	(2,600)	-	(2,600)	-
Interest Paid	(37)	(1,046)	(273)	(773)	(219)
Cash Dividends Paid for Common Stock	(4,626)	(129,652)	(64,826)	(64,826)	(64,826)
Others	339	9,513	(132)	9,645	2,726
Net Cash Generated by Financing Activities	<u>3,198</u>	<u>89,649</u>	<u>75,031</u>	<u>14,618</u>	<u>5,912</u>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalent:</b>	\$ (110)	\$ (3,090)	\$ (9,464)	\$ 6,374	\$ (9,660)
<b>Net Increase in Cash and Cash Equivalents</b>	<u>3,133</u>	<u>87,811</u>	<u>83,254</u>	<u>4,557</u>	<u>36,837</u>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<u>23,553</u>	<u>660,171</u>	<u>664,728</u>	<u>660,171</u>	<u>430,777</u>
<b>Cash and Cash Equivalents at End of Period</b>	<u>\$ 26,686</u>	<u>\$ 747,982</u>	<u>\$ 747,982</u>	<u>\$ 664,728</u>	<u>\$ 467,614</u>

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$28.029 for the six months ended June 30, 2021.