



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Balance Sheet

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

ASSETS	March 31, 2023 (Unaudited)			December 31, 2022 (Audited)		March 31, 2022 (Unaudited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Current Assets											
Cash and Cash Equivalents	\$ 45,534	\$ 1,385,233	27.5	\$ 1,342,814	27.0	\$ 1,151,590	28.8	\$ 42,419	3.2	\$ 233,643	20.3
Investments in Marketable Financial Instruments	6,704	203,952	4.1	218,672	4.4	130,466	3.3	(14,720)	(6.7)	73,486	56.3
Accounts Receivable	4,867	148,047	2.9	231,340	4.7	213,428	5.3	(83,293)	(36.0)	(65,381)	(30.6)
Inventories	7,102	216,068	4.3	221,149	4.4	200,119	5.0	(5,081)	(2.3)	15,949	8.0
Other Current Assets	1,395	42,427	0.8	38,922	0.8	26,635	0.7	3,505	9.0	15,792	59.3
Total Current Assets	65,602	1,995,727	39.6	2,052,897	41.3	1,722,238	43.1	(57,170)	(2.8)	273,489	15.9
Non-current Assets											
Long-term Investments	2,298	69,914	1.4	68,928	1.4	45,737	1.2	986	1.4	24,177	52.9
Property, Plant and Equipment	93,136	2,833,397	56.1	2,693,837	54.3	2,104,331	52.7	139,560	5.2	729,066	34.6
Right-of-use, Intangible and Other Non-current Assets	4,826	146,806	2.9	149,117	3.0	120,371	3.0	(2,311)	(1.5)	26,435	22.0
Total Non-current Assets	100,260	3,050,117	60.4	2,911,882	58.7	2,270,439	56.9	138,235	4.7	779,678	34.3
Total Assets	\$ 165,862	\$ 5,045,844	100.0	\$ 4,964,779	100.0	\$ 3,992,677	100.0	\$ 81,065	1.6	\$ 1,053,167	26.4
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-term Loans	\$ -	\$ -	-	\$ -	-	\$ 144,551	3.6	\$ -	-	\$ (144,551)	(100.0)
Accounts Payable	1,557	47,382	0.9	56,522	1.1	50,104	1.2	(9,140)	(16.2)	(2,722)	(5.4)
Payables to Contractors and Equipment Suppliers	5,173	157,375	3.1	213,500	4.3	122,916	3.1	(56,125)	(26.3)	34,459	28.0
Cash Dividends Payable	4,688	142,617	2.8	142,617	2.9	142,617	3.6	-	-	-	-
Accrued Expenses and Other Current Liabilities	17,017	517,676	10.3	512,274	10.3	345,888	8.7	5,402	1.1	171,788	49.7
Current Portion of Bonds Payable and Bank Loans	264	8,040	0.2	19,314	0.4	16,792	0.4	(11,274)	(58.4)	(8,752)	(52.1)
Total Current Liabilities	28,699	873,090	17.3	944,227	19.0	822,868	20.6	(71,137)	(7.5)	50,222	6.1
Non-current Liabilities											
Bonds Payable	27,896	848,638	16.8	834,336	16.8	629,650	15.8	14,302	1.7	218,988	34.8
Other Non-current Liabilities	7,600	231,219	4.6	225,727	4.6	218,690	5.5	5,492	2.4	12,529	5.7
Total Non-current Liabilities	35,496	1,079,857	21.4	1,060,063	21.4	848,340	21.3	19,794	1.9	231,517	27.3
Total Liabilities	64,195	1,952,947	38.7	2,004,290	40.4	1,671,208	41.9	(51,343)	(2.6)	281,739	16.9
Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	8,524	259,321	5.1	259,304	5.2	259,318	6.5	17	-	3	-
Capital Surplus	2,298	69,894	1.4	69,330	1.4	65,215	1.6	564	0.8	4,679	7.2
Legal Capital Reserve	10,228	311,147	6.2	311,147	6.3	311,147	7.8	-	-	-	-
Special Capital Reserve	668	20,320	0.4	3,154	-	62,609	1.5	17,166	544.3	(42,289)	(67.5)
Unappropriated Earnings	80,265	2,441,821	48.4	2,323,224	46.8	1,664,506	41.7	118,597	5.1	777,315	46.7
Treasury Stock	-	-	-	-	-	(872)	-	-	-	872	(100.0)
Others	(798)	(24,269)	(0.5)	(20,506)	(0.4)	(47,493)	(1.2)	(3,763)	(18.4)	23,224	48.9
Equity Attributable to Shareholders of the Parent	101,185	3,078,234	61.0	2,945,653	59.3	2,314,430	57.9	132,581	4.5	763,804	33.0
Noncontrolling Interests	482	14,663	0.3	14,836	0.3	7,039	0.2	(173)	(1.2)	7,624	108.3
Total Shareholders' Equity	101,667	3,092,897	61.3	2,960,489	59.6	2,321,469	58.1	132,408	4.5	771,428	33.2
Total Liabilities & Shareholders' Equity	\$ 165,862	\$ 5,045,844	100.0	\$ 4,964,779	100.0	\$ 3,992,677	100.0	\$ 81,065	1.6	\$ 1,053,167	26.4

Note :
(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$30.422 as of March 31, 2023.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income (Unaudited)

For the Three Months Ended March 31, 2023, December 31, 2022, March 31, 2022

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

Except for Per Share Amounts and Shares Outstanding)

	1Q 2023			4Q 2022		1Q 2022		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 16,719	\$ 508,633	100.0	\$ 625,532	100.0	\$ 491,076	100.0	\$ (116,899)	(18.7)	\$ 17,557	3.6
Cost of Revenue	(7,302)	(222,133)	(43.7)	(236,347)	(37.8)	(217,873)	(44.4)	14,214	(6.0)	(4,260)	2.0
Gross Profit	9,417	286,500	56.3	389,185	62.2	273,203	55.6	(102,685)	(26.4)	13,297	4.9
Operating Expenses											
Research and Development Expenses	(1,287)	(39,157)	(7.7)	(44,587)	(7.1)	(36,048)	(7.3)	5,430	(12.2)	(3,109)	8.6
Sales, General and Administrative Expenses	(531)	(16,152)	(3.1)	(19,949)	(3.2)	(12,563)	(2.6)	3,797	(19.0)	(3,589)	28.6
Total Operating Expenses	(1,818)	(55,309)	(10.8)	(64,536)	(10.3)	(48,611)	(9.9)	9,227	(14.3)	(6,698)	13.8
Other Operating Income and Expenses	2	47	-	392	0.1	(802)	(0.1)	(345)	(88.0)	849	NM
Income from Operations	7,601	231,238	45.5	325,041	52.0	223,790	45.6	(93,803)	(28.9)	7,448	3.3
Non-operating Income and Expenses											
Share of Profits of Associates	34	1,039	0.2	1,738	0.3	1,726	0.3	(699)	(40.2)	(687)	(39.8)
Net Interest Income (Expenses)	350	10,654	2.1	7,252	1.1	(467)	(0.1)	3,402	46.9	11,121	NM
Other Gains and Losses	44	1,344	0.2	639	0.1	1,783	0.4	705	110.3	(439)	(24.6)
Total Non-operating Income and Expenses	428	13,037	2.5	9,629	1.5	3,042	0.6	3,408	35.4	9,995	328.6
Income Before Income Tax	8,029	244,275	48.0	334,670	53.5	226,832	46.2	(90,395)	(27.0)	17,443	7.7
Income Tax Expenses	(1,227)	(37,326)	(7.3)	(38,791)	(6.2)	(23,959)	(4.9)	1,465	(3.8)	(13,367)	55.8
Net Income	6,802	206,949	40.7	295,879	47.3	202,873	41.3	(88,930)	(30.1)	4,076	2.0
Other Comprehensive Income (Losses)	(108)	(3,296)	(0.7)	(16,482)	(2.6)	15,412	3.2	13,186	80.0	(18,708)	(121.4)
Comprehensive Income	\$ 6,694	\$ 203,653	40.0	\$ 279,397	44.7	\$ 218,285	44.5	\$ (75,744)	(27.1)	\$ (14,632)	(6.7)
Net Income (Losses) Attributable to:											
Shareholders of the Parent	\$ 6,804	\$ 206,987	40.7	\$ 295,904	47.3	\$ 202,733	41.3	\$ (88,917)	(30.0)	\$ 4,254	2.1
Noncontrolling Interests	(2)	(38)	-	(25)	-	140	-	(13)	(52.0)	(178)	(127.1)
	\$ 6,802	\$ 206,949	40.7	\$ 295,879	47.3	\$ 202,873	41.3	\$ (88,930)	(30.1)	\$ 4,076	2.0
Earnings per Share - Diluted	\$ 0.26	\$ 7.98		\$ 11.41		\$ 7.82		\$ (3.43)	(30.0)	\$ 0.16	2.1
Earnings per ADR - Diluted ⁽²⁾	\$ 1.31	\$ 39.91		\$ 57.06		\$ 39.09		\$ (17.15)	(30.0)	\$ 0.82	2.1
Weighted Average Outstanding Shares - Diluted (M)		25,929		25,929		25,930					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$30.423 for the first quarter of 2023.

(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, 2023, December 31, 2022 and March 31, 2022

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

	1Q 2023		4Q 2022	1Q 2022
	USD	NTD	NTD	NTD
Cash Flows from Operating Activities:				
Income Before Income Tax	\$ 8,029	\$ 244,275	\$ 334,670	\$ 226,832
Depreciation & Amortization	3,626	110,323	107,582	111,102
Share of Profits of Associates	(34)	(1,039)	(1,738)	(1,726)
Income Taxes Paid	(22)	(686)	(87)	(642)
Changes in Working Capital & Others	1,064	32,372	46,456	36,604
Net Cash Generated by Operating Activities	<u>12,663</u>	<u>385,245</u>	<u>486,883</u>	<u>372,170</u>
Cash Flows from Investing Activities:				
Interest Received	404	12,281	8,644	1,527
Cash Dividend Received	2	63	6	-
Acquisitions of:				
Property, Plant and Equipment	(9,943)	(302,499)	(336,844)	(262,135)
Marketable Financial Instruments	(1,147)	(34,892)	(65,040)	(55,990)
Proceeds from Disposal or Redemption of:				
Property, Plant and Equipment	2	73	182	609
Marketable Financial Instruments	1,678	51,050	45,451	29,254
Others	56	1,692	5,069	(1,339)
Net Cash Used In Investing Activities	<u>(8,948)</u>	<u>(272,232)</u>	<u>(342,532)</u>	<u>(288,074)</u>
Cash Flows from Financing Activities:				
Increase in Short-term Loans	-	-	-	30,529
Proceeds from Issuance of Bonds	634	19,300	10,199	19,600
Repayment of Bonds	(394)	(12,000)	(4,400)	-
Repayment of Long-term Bank Loans	(11)	(330)	(167)	-
Interest Paid	(62)	(1,871)	(5,721)	(1,104)
Cash Dividends Paid for Common Stock	(2,344)	(71,308)	(71,308)	(71,308)
Repurchase of Treasury Stock	-	-	-	(872)
Others	57	1,722	1,565	4,069
Net Cash Used in Financing Activities	<u>(2,120)</u>	<u>(64,487)</u>	<u>(69,832)</u>	<u>(19,086)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(201)	(6,107)	(27,718)	21,590
Net Increase in Cash and Cash Equivalents	<u>1,394</u>	<u>42,419</u>	<u>46,801</u>	<u>86,600</u>
Cash and Cash Equivalents at Beginning of Period	<u>44,138</u>	<u>1,342,814</u>	<u>1,296,013</u>	<u>1,064,990</u>
Cash and Cash Equivalents at End of Period	<u>\$ 45,532</u>	<u>\$ 1,385,233</u>	<u>\$ 1,342,814</u>	<u>\$ 1,151,590</u>

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$30.423 for the three months ended March 31, 2023.