



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")) ⁽¹⁾

	September 30, 2023			June 30, 2023		September 30, 2022		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
ASSETS											
Current Assets											
Cash and Cash Equivalents	\$ 40,637	\$ 1,311,807	23.9	\$ 1,276,724	24.8	\$ 1,296,013	27.9	\$ 35,083	2.7	\$ 15,794	1.2
Investments in Marketable Financial Instruments	7,420	239,515	4.4	213,232	4.1	202,861	4.4	26,283	12.3	36,654	18.1
Accounts Receivable	6,903	222,824	4.1	191,027	3.7	261,538	5.6	31,797	16.6	(38,714)	(14.8)
Inventories	8,119	262,090	4.8	234,333	4.6	218,336	4.7	27,757	11.8	43,754	20.0
Other Current Assets	1,432	46,241	0.8	44,648	0.9	35,484	0.8	1,593	3.6	10,757	30.3
Total Current Assets	64,511	2,082,477	38.0	1,959,964	38.1	2,014,232	43.4	122,513	6.3	68,245	3.4
Non-current Assets											
Long-term Investments	3,604	116,347	2.1	94,610	1.8	75,796	1.6	21,737	23.0	40,551	53.5
Property, Plant and Equipment	97,043	3,132,664	57.1	2,947,234	57.2	2,411,490	51.9	185,430	6.3	721,174	29.9
Right-of-use, Intangible and Other Non-current Assets	4,742	153,068	2.8	147,657	2.9	141,784	3.1	5,411	3.7	11,284	8.0
Total Non-current Assets	105,389	3,402,079	62.0	3,189,501	61.9	2,629,070	56.6	212,578	6.7	773,009	29.4
Total Assets	\$ 169,900	\$ 5,484,556	100.0	\$ 5,149,465	100.0	\$ 4,643,302	100.0	\$ 335,091	6.5	\$ 841,254	18.1
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Accounts Payable	\$ 1,666	\$ 53,772	1.0	\$ 48,973	1.0	\$ 62,018	1.3	\$ 4,799	9.8	\$ (8,246)	(13.3)
Payables to Contractors and Equipment Suppliers	7,151	230,849	4.2	140,753	2.7	159,780	3.5	90,096	64.0	71,069	44.5
Cash Dividends Payable	4,820	155,592	2.9	149,309	2.9	142,617	3.1	6,283	4.2	12,975	9.1
Accrued Expenses and Other Current Liabilities	16,183	522,402	9.5	463,668	9.0	419,589	9.0	58,734	12.7	102,813	24.5
Current Portion of Bonds Payable and Bank Loans	230	7,420	0.1	8,126	0.2	23,427	0.5	(706)	(8.7)	(16,007)	(68.3)
Total Current Liabilities	30,050	970,035	17.7	810,829	15.8	807,431	17.4	159,206	19.6	162,604	20.1
Non-current Liabilities											
Bonds Payable	28,886	932,479	17.0	901,710	17.5	842,387	18.1	30,769	3.4	90,092	10.7
Other Non-current Liabilities	6,481	209,224	3.8	231,458	4.5	241,168	5.2	(22,234)	(9.6)	(31,944)	(13.2)
Total Non-current Liabilities	35,367	1,141,703	20.8	1,133,168	22.0	1,083,555	23.3	8,535	0.8	58,148	5.4
Total Liabilities	65,417	2,111,738	38.5	1,943,997	37.8	1,890,986	40.7	167,741	8.6	220,752	11.7
Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	8,033	259,321	4.7	259,321	5.0	259,304	5.6	-	-	17	-
Capital Surplus	2,165	69,879	1.3	69,895	1.4	69,316	1.5	(16)	-	563	0.8
Legal Capital Reserve	9,639	311,147	5.7	311,147	6.0	311,147	6.7	-	-	-	-
Special Capital Reserve	533	17,228	0.3	23,594	0.5	35,065	0.8	(6,366)	(27.0)	(17,837)	(50.9)
Unappropriated Earnings	83,088	2,682,158	48.9	2,542,570	49.4	2,066,562	44.5	139,588	5.5	615,596	29.8
Others	267	8,617	0.2	(17,777)	(0.4)	(3,420)	(0.1)	26,394	NM	12,037	NM
Equity Attributable to Shareholders of the Parent	103,725	3,348,350	61.1	3,188,750	61.9	2,737,974	59.0	159,600	5.0	610,376	22.3
Noncontrolling Interests	758	24,468	0.4	16,718	0.3	14,342	0.3	7,750	46.4	10,126	70.6
Total Shareholders' Equity	104,483	3,372,818	61.5	3,205,468	62.2	2,752,316	59.3	167,350	5.2	620,502	22.5
Total Liabilities & Shareholders' Equity	\$ 169,900	\$ 5,484,556	100.0	\$ 5,149,465	100.0	\$ 4,643,302	100.0	\$ 335,091	6.5	\$ 841,254	18.1

Note :
(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$32.281 as of September 30, 2023.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income (Unaudited)

For the Three Months Ended September 30, 2023, June 30, 2023, September 30, 2022

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

Except for Per Share Amounts and Shares Outstanding)

	3Q 2023			2Q 2023		3Q 2022		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 17,278	\$ 546,733	100.0	\$ 480,841	100.0	\$ 613,142	100.0	\$ 65,892	13.7	\$ (66,409)	(10.8)
Cost of Revenue	(7,903)	(250,090)	(45.7)	(220,641)	(45.9)	(242,643)	(39.6)	(29,449)	13.3	(7,447)	3.1
Gross Profit	9,375	296,643	54.3	260,200	54.1	370,499	60.4	36,443	14.0	(73,856)	(19.9)
Operating Expenses											
Research and Development Expenses	(1,616)	(51,138)	(9.4)	(41,665)	(8.7)	(42,977)	(7.0)	(9,473)	22.7	(8,161)	19.0
Sales, General and Administrative Expenses	(556)	(17,571)	(3.2)	(16,530)	(3.4)	(17,209)	(2.8)	(1,041)	6.3	(362)	2.1
Total Operating Expenses	(2,172)	(68,709)	(12.6)	(58,195)	(12.1)	(60,186)	(9.8)	(10,514)	18.1	(8,523)	14.2
Other Operating Income and Expenses	4	131	-	(47)	-	11	-	178	NM	120	1,090.9
Income from Operations	7,207	228,065	41.7	201,958	42.0	310,324	50.6	26,107	12.9	(82,259)	(26.5)
Non-operating Income and Expenses											
Share of Profits of Associates	37	1,167	0.2	1,134	0.2	2,078	0.4	33	2.9	(911)	(43.8)
Net Interest Income (Expenses)	395	12,483	2.3	10,667	2.2	3,245	0.5	1,816	17.0	9,238	284.7
Other Gains and Losses	7	225	0.1	916	0.2	1,044	0.2	(691)	(75.4)	(819)	(78.4)
Total Non-operating Income and Expenses	439	13,875	2.6	12,717	2.6	6,367	1.1	1,158	9.1	7,508	117.9
Income Before Income Tax	7,646	241,940	44.3	214,675	44.6	316,691	51.7	27,265	12.7	(74,751)	(23.6)
Income Tax Expenses	(984)	(31,145)	(5.7)	(32,958)	(6.8)	(35,723)	(5.9)	1,813	(5.5)	4,578	(12.8)
Net Income	6,662	210,795	38.6	181,717	37.8	280,968	45.8	29,078	16.0	(70,173)	(25.0)
Other Comprehensive Income	823	26,050	4.7	5,659	1.2	32,122	5.3	20,391	360.3	(6,072)	(18.9)
Comprehensive Income	\$ 7,485	\$ 236,845	43.3	\$ 187,376	39.0	\$ 313,090	51.1	\$ 49,469	26.4	\$ (76,245)	(24.4)
Net Income (Losses) Attributable to:											
Shareholders of the Parent	\$ 6,668	\$ 211,000	38.6	\$ 181,799	37.8	\$ 280,866	45.8	\$ 29,201	16.1	\$ (69,866)	(24.9)
Noncontrolling Interests	(6)	(205)	-	(82)	-	102	-	(123)	(150.0)	(307)	(301.0)
	\$ 6,662	\$ 210,795	38.6	\$ 181,717	37.8	\$ 280,968	45.8	\$ 29,078	16.0	\$ (70,173)	(25.0)
Earnings per Share - Diluted	\$ 0.26	\$ 8.14		\$ 7.01		\$ 10.83		\$ 1.13	16.1	\$ (2.69)	(24.9)
Earnings per ADR - Diluted ⁽²⁾	\$ 1.29	\$ 40.69		\$ 35.06		\$ 54.16		\$ 5.63	16.1	\$ (13.47)	(24.9)
Weighted Average Outstanding Shares - Diluted (M)		25,929		25,929		25,929					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$31.643 for the third quarter of 2023.

(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") ⁽¹⁾)

Except for Per Share Amounts and Shares Outstanding)

	For the Nine Months Ended September 30						
	2023			2022		YoY	
	USD	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 49,674	\$ 1,536,207	100.0	\$ 1,638,359	100.0	\$ (102,152)	(6.2)
Cost of Revenue	(22,404)	(692,864)	(45.1)	(679,189)	(41.5)	(13,675)	2.0
Gross Profit	27,270	843,343	54.9	959,170	58.5	(115,827)	(12.1)
Operating Expenses							
Research and Development Expenses	(4,267)	(131,960)	(8.6)	(118,675)	(7.2)	(13,285)	11.2
Sales, General and Administrative Expenses	(1,625)	(50,253)	(3.3)	(43,497)	(2.7)	(6,756)	15.5
Total Operating Expenses	(5,892)	(182,213)	(11.9)	(162,172)	(9.9)	(20,041)	12.4
Other Operating Income and Expenses	4	131	-	(760)	-	891	NM
Income from Operations	21,382	661,261	43.0	796,238	48.6	(134,977)	(17.0)
Non-operating Income and Expenses							
Share of Profits of Associates	108	3,340	0.2	6,061	0.4	(2,721)	(44.9)
Net Interest Income (Expenses)	1,093	33,804	2.2	3,420	0.2	30,384	888.4
Other Gains and Losses	80	2,485	0.2	3,802	0.2	(1,317)	(34.6)
Total Non-operating Income and Expenses	1,281	39,629	2.6	13,283	0.8	26,346	198.3
Income before Income Tax	22,663	700,890	45.6	809,521	49.4	(108,631)	(13.4)
Income Tax Expenses	(3,279)	(101,429)	(6.6)	(88,499)	(5.4)	(12,930)	14.6
Net Income	19,384	599,461	39.0	721,022	44.0	(121,561)	(16.9)
Other Comprehensive Income	918	28,413	1.9	58,912	3.6	(30,499)	(51.8)
Comprehensive Income	\$ 20,302	\$ 627,874	40.9	\$ 779,934	47.6	\$ (152,060)	(19.5)
Net Income (Losses) Attributable to:							
Shareholders of the Parent	\$ 19,394	\$ 599,786	39.0	\$ 720,626	44.0	\$ (120,840)	(16.8)
Noncontrolling interests	(10)	(325)	-	396	-	(721)	(182.1)
	\$ 19,384	\$ 599,461	39.0	\$ 721,022	44.0	\$ (121,561)	(16.9)
Earnings per Share - Diluted	\$ 0.75	\$ 23.13		\$ 27.79		\$ (4.66)	(16.8)
Earnings per ADR - Diluted ⁽²⁾	\$ 3.74	\$ 115.66		\$ 138.96		\$ (23.30)	(16.8)
Weighted Average Outstanding Shares - Diluted ('M)		25,929		25,929			

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$30.926 for the nine months ended September 30, 2023.

(2) 1 ADR equals 5 ordinary shares.

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

For the Nine Months Ended September 30, 2023 and for the Three Months Ended September 30, 2023, June 30, 2023 and September 30, 2022

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

	Nine Months 2023		3Q 2023	2Q 2023	3Q 2022
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Income Before Income Tax	\$ 22,663	\$ 700,890	\$ 241,940	\$ 214,675	\$ 316,691
Depreciation & Amortization	12,337	381,543	147,281	123,939	105,345
Share of Profits of Associates	(108)	(3,340)	(1,167)	(1,134)	(2,078)
Income Taxes Paid	(3,955)	(122,308)	(1,475)	(120,147)	(26,371)
Changes in Working Capital & Others	(3,545)	(109,647)	(91,934)	(50,085)	19,111
Net Cash Generated by Operating Activities	27,392	847,138	294,645	167,248	412,698
Cash Flows from Investing Activities:					
Interest Received	1,326	41,015	14,389	14,345	5,117
Cash Dividend Received	112	3,464	2,568	833	2,479
Acquisitions of:					
Property, Plant and Equipment	(25,210)	(779,657)	(226,624)	(250,534)	(265,970)
Marketable Financial Instruments	(5,523)	(170,797)	(62,105)	(73,800)	(51,589)
Proceeds from Disposal or Redemption of:					
Property, Plant and Equipment	13	392	149	170	128
Marketable Financial Instruments	3,815	117,971	22,448	44,473	26,985
Others	446	13,811	6,932	5,187	(1,540)
Net Cash Used In Investing Activities	(25,021)	(773,801)	(242,243)	(259,326)	(284,390)
Cash Flows from Financing Activities:					
Decrease in Short-term Loans	-	-	-	-	(116,009)
Increase in Hedging Financial Liabilities - Bank Loans	902	27,909	20,235	7,674	-
Proceeds from Issuance of Bonds	2,454	75,900	15,900	40,700	59,651
Repayment of Bonds	(585)	(18,100)	(6,100)	-	-
Repayment of Long-term Bank Loans	(40)	(1,244)	(457)	(457)	-
Interest Paid	(367)	(11,364)	(3,943)	(5,550)	(1,841)
Cash Dividends Paid for Common Stock	(6,917)	(213,926)	(71,309)	(71,309)	(71,309)
Others	365	11,298	7,223	2,353	(898)
Net Cash Used in Financing Activities	(4,188)	(129,527)	(38,451)	(26,589)	(130,406)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	815	25,183	21,132	10,158	44,922
Net Increase (Decrease) in Cash and Cash Equivalents	(1,002)	(31,007)	35,083	(108,509)	42,824
Cash and Cash Equivalents at Beginning of Period	43,420	1,342,814	1,276,724	1,385,233	1,253,189
Cash and Cash Equivalents at End of Period	\$ 42,418	\$ 1,311,807	\$ 1,311,807	\$ 1,276,724	\$ 1,296,013

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$30.926 for the nine months ended September 30, 2023.