



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, 2022			June 30, 2022		September 30, 2021		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
ASSETS											
Current Assets											
Cash and Cash Equivalents	\$ 40,799	\$ 1,296,013	27.9	\$ 1,253,189	28.8	\$ 853,812	25.6	\$ 42,824	3.4	\$ 442,201	51.8
Investments in Marketable Financial Instruments	6,386	202,861	4.4	172,379	4.0	122,007	3.6	30,482	17.7	80,854	66.3
Accounts Receivable	8,233	261,538	5.6	222,069	5.1	187,168	5.6	39,469	17.8	74,370	39.7
Inventories	6,873	218,336	4.7	217,438	5.0	182,234	5.5	898	0.4	36,102	19.8
Other Current Assets	1,117	35,484	0.8	40,791	1.0	25,418	0.8	(5,307)	(13.0)	10,066	39.6
Total Current Assets	63,408	2,014,232	43.4	1,905,866	43.9	1,370,639	41.1	108,366	5.7	643,593	47.0
Non-current Assets											
Long-term Investments	2,386	75,796	1.6	64,440	1.5	27,730	0.8	11,356	17.6	48,066	173.3
Property, Plant and Equipment	75,914	2,411,490	51.9	2,248,319	51.7	1,828,895	54.9	163,171	7.3	582,595	31.9
Right-of-use, Intangible and Other Non-current Assets	4,464	141,784	3.1	127,316	2.9	105,048	3.2	14,468	11.4	36,736	35.0
Total Non-current Assets	82,764	2,629,070	56.6	2,440,075	56.1	1,961,673	58.9	188,995	7.7	667,397	34.0
Total Assets	\$ 146,172	\$ 4,643,302	100.0	\$ 4,345,941	100.0	\$ 3,332,312	100.0	\$ 297,361	6.8	\$ 1,310,990	39.3
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-term Loans	\$ -	\$ -	-	\$ 115,585	2.6	\$ 118,844	3.6	\$ (115,585)	(100.0)	\$ (118,844)	(100.0)
Accounts Payable	1,952	62,018	1.3	59,818	1.4	43,889	1.3	2,200	3.7	18,129	41.3
Payables to Contractors and Equipment Suppliers	5,030	159,780	3.5	160,489	3.7	128,368	3.8	(709)	(0.4)	31,412	24.5
Cash Dividends Payable	4,490	142,617	3.1	142,806	3.3	142,617	4.3	(189)	(0.1)	-	-
Accrued Expenses and Other Current Liabilities	13,209	419,589	9.0	349,484	8.0	221,904	6.7	70,105	20.1	197,685	89.1
Current Portion of Bonds Payable and Bank Loans	737	23,427	0.5	17,059	0.4	-	-	6,368	37.3	23,427	-
Total Current Liabilities	25,418	807,431	17.4	845,241	19.4	655,622	19.7	(37,810)	(4.5)	151,809	23.2
Non-current Liabilities											
Bonds Payable	26,519	842,387	18.1	753,890	17.4	459,733	13.8	88,497	11.7	382,654	83.2
Other Non-current Liabilities	7,592	241,168	5.2	236,348	5.4	138,637	4.1	4,820	2.0	102,531	74.0
Total Non-current Liabilities	34,111	1,083,555	23.3	990,238	22.8	598,370	17.9	93,317	9.4	485,185	81.1
Total Liabilities	59,529	1,890,986	40.7	1,835,479	42.2	1,253,992	37.6	55,507	3.0	636,994	50.8
Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	8,163	259,304	5.6	259,304	6.0	259,304	7.8	-	-	-	-
Capital Surplus	2,182	69,316	1.5	69,334	1.6	64,747	1.9	(18)	-	4,569	7.1
Legal Capital Reserve	9,795	311,147	6.7	311,147	7.2	311,147	9.3	-	-	-	-
Special Capital Reserve	1,104	35,065	0.8	47,067	1.1	58,594	1.8	(12,002)	(25.5)	(23,529)	(40.2)
Unappropriated Earnings	65,056	2,066,562	44.5	1,844,911	42.4	1,441,532	43.3	221,651	12.0	625,030	43.4
Others	(108)	(3,420)	(0.1)	(35,410)	(0.8)	(59,304)	(1.8)	31,990	90.3	55,884	94.2
Equity Attributable to Shareholders of the Parent	86,192	2,737,974	59.0	2,496,353	57.5	2,076,020	62.3	241,621	9.7	661,954	31.9
Noncontrolling Interests	451	14,342	0.3	14,109	0.3	2,300	0.1	233	1.7	12,042	523.6
Total Shareholders' Equity	86,643	2,752,316	59.3	2,510,462	57.8	2,078,320	62.4	241,854	9.6	673,996	32.4
Total Liabilities & Shareholders' Equity	\$ 146,172	\$ 4,643,302	100.0	\$ 4,345,941	100.0	\$ 3,332,312	100.0	\$ 297,361	6.8	\$ 1,310,990	39.3

Note :
(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$31.766 as of September 30, 2022.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income (Unaudited)

For the Three Months Ended September 30, 2022, June 30, 2022, September 30, 2021

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

Except for Per Share Amounts and Shares Outstanding)

	3Q 2022			2Q 2022		3Q 2021		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	NTD	%	NTD	%
Net Revenue	20,225	613,142	100.0	534,141	100.0	414,671	100.0	79,001	14.8	198,471	47.9
Cost of Revenue	(8,004)	(242,643)	(39.6)	(218,673)	(40.9)	(201,925)	(48.7)	(23,970)	11.0	(40,718)	20.2
Gross Profit	12,221	370,499	60.4	315,468	59.1	212,746	51.3	55,031	17.4	157,753	74.2
Operating Expenses											
Research and Development Expenses	(1,417)	(42,977)	(7.0)	(39,650)	(7.4)	(30,866)	(7.5)	(3,327)	8.4	(12,111)	39.2
Sales, General and Administrative Expenses	(568)	(17,209)	(2.8)	(13,725)	(2.6)	(10,784)	(2.6)	(3,484)	25.4	(6,425)	59.6
Total Operating Expenses	(1,985)	(60,186)	(9.8)	(53,375)	(10.0)	(41,650)	(10.1)	(6,811)	12.8	(18,536)	44.5
Other Operating Income and Expenses	-	11	-	31	-	(92)	-	(20)	(64.5)	103	NM
Income from Operations	10,236	310,324	50.6	262,124	49.1	171,004	41.2	48,200	18.4	139,320	81.5
Non-operating Income and Expenses											
Share of Profits of Associates	69	2,078	0.4	2,257	0.4	1,513	0.4	(179)	(7.9)	565	37.3
Net Interest Income (Expenses)	107	3,245	0.5	642	0.1	23	-	2,603	405.5	3,222	14,008.7
Other Gains and Losses	34	1,044	0.2	975	0.2	1,312	0.3	69	7.1	(268)	(20.4)
Total Non-operating Income and Expenses	210	6,367	1.1	3,874	0.7	2,848	0.7	2,493	64.4	3,519	123.6
Income Before Income Tax	10,446	316,691	51.7	265,998	49.8	173,852	41.9	50,693	19.1	142,839	82.2
Income Tax Expenses	(1,178)	(35,723)	(5.9)	(28,817)	(5.4)	(17,372)	(4.2)	(6,906)	24.0	(18,351)	105.6
Net Income	9,268	280,968	45.8	237,181	44.4	156,480	37.7	43,787	18.5	124,488	79.6
Other Comprehensive Income (Losses)	1,060	32,122	5.3	11,378	2.1	(708)	(0.1)	20,744	182.3	32,830	NM
Comprehensive Income	10,328	313,090	51.1	248,559	46.5	155,772	37.6	64,531	26.0	157,318	101.0
Net Income Attributable to:											
Shareholders of the Parent	9,265	280,866	45.8	237,027	44.4	156,259	37.7	43,839	18.5	124,607	79.7
Noncontrolling Interests	3	102	-	154	-	221	-	(52)	(33.8)	(119)	(53.8)
	9,268	280,968	45.8	237,181	44.4	156,480	37.7	43,787	18.5	124,488	79.6
Earnings per Share - Diluted	\$ 0.36	\$ 10.83		\$ 9.14		\$ 6.03		\$ 1.69	18.5	\$ 4.80	79.8
Earnings per ADR - Diluted (2)	\$ 1.79	\$ 54.16		\$ 45.71		\$ 30.13		\$ 8.45	18.5	\$ 24.03	79.8
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 NTD 30.316 for the third quarter of 2022.

(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						
	2022			2021		YoY	
	USD	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 55,950	\$ 1,638,359	100.0	\$ 1,149,226	100.0	\$ 489,133	42.6
Cost of Revenue	(23,195)	(679,189)	(41.5)	(560,444)	(48.8)	(118,745)	21.2
Gross Profit	32,755	959,170	58.5	588,782	51.2	370,388	62.9
Operating Expenses							
Research and Development Expenses	(4,053)	(118,675)	(7.2)	(92,496)	(8.0)	(26,179)	28.3
Sales, General and Administrative Expenses	(1,485)	(43,497)	(2.7)	(28,849)	(2.5)	(14,648)	50.8
Total Operating Expenses	(5,538)	(162,172)	(9.9)	(121,345)	(10.5)	(40,827)	33.6
Other Operating Income and Expenses	(26)	(760)	-	(228)	-	(532)	(233.3)
Income from Operations	27,191	796,238	48.6	467,209	40.7	329,029	70.4
Non-operating Income and Expenses							
Share of Profits of Associates	207	6,061	0.4	3,952	0.3	2,109	53.4
Net Interest Income (Expenses)	117	3,420	0.2	1,006	0.1	2,414	240.0
Other Gains and Losses	130	3,802	0.2	6,140	0.5	(2,338)	(38.1)
Total Non-operating Income and Expenses	454	13,283	0.8	11,098	0.9	2,185	19.7
Income before Income Tax	27,645	809,521	49.4	478,307	41.6	331,214	69.2
Income Tax Expenses	(3,022)	(88,499)	(5.4)	(47,607)	(4.1)	(40,892)	85.9
Net Income	24,623	721,022	44.0	430,700	37.5	290,322	67.4
Other Comprehensive Income (Losses)	2,011	58,912	3.6	(4,942)	(0.5)	63,854	NM
Comprehensive Income	\$ 26,634	\$ 779,934	47.6	\$ 425,758	37.0	\$ 354,176	83.2
Net Income Attributable to:							
Shareholders of the Parent	\$ 24,609	\$ 720,626	44.0	\$ 430,308	37.5	\$ 290,318	67.5
Noncontrolling interests	14	396	-	392	-	4	1.0
	\$ 24,623	\$ 721,022	44.0	\$ 430,700	37.5	\$ 290,322	67.4
Earnings per Share - Diluted	\$ 0.95	\$ 27.79		\$ 16.59		\$ 11.20	67.5
Earnings per ADR - Diluted (2)	\$ 4.75	\$ 138.96		\$ 82.97		\$ 55.99	67.5
Weighted Average Outstanding Shares - Diluted ('M)		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\$29.283 for the nine months ended September 30, 2022.

(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, 2022 and for the Three Months Ended September 30, 2022, June 30, 2022 and September 30, 2021

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

	Nine Months 2022		3Q 2022	2Q 2022	3Q 2021
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Income Before Income Tax	\$ 27,645	\$ 809,521	\$ 316,691	\$ 265,998	\$ 173,852
Depreciation & Amortization	11,258	329,672	105,345	113,225	107,027
Share of Profits of Associates	(207)	(6,061)	(2,078)	(2,257)	(1,513)
Income Taxes Paid	(2,953)	(86,474)	(26,371)	(59,461)	(29,365)
Changes in Working Capital & Others	2,631	77,059	19,111	21,344	68,705
Net Cash Generated by Operating Activities	<u>38,374</u>	<u>1,123,717</u>	<u>412,698</u>	<u>338,849</u>	<u>318,706</u>
Cash Flows from Investing Activities:					
Interest Received	\$ 323	\$ 9,440	\$ 5,117	\$ 2,796	\$ 1,430
Cash Dividend Received	103	3,010	2,479	531	1,942
Acquisitions of:					
Property, Plant and Equipment	(25,470)	(745,828)	(265,970)	(217,723)	(188,640)
Marketable Financial Instruments	(5,900)	(172,778)	(51,589)	(65,199)	(43,857)
Proceeds from Disposal or Redemption of:					
Property, Plant and Equipment	27	801	128	64	97
Marketable Financial Instruments	2,112	61,842	26,985	5,603	52,933
Others	(167)	(4,883)	(1,540)	(2,004)	(925)
Net Cash Used In Investing Activities	<u>(28,972)</u>	<u>(848,396)</u>	<u>(284,390)</u>	<u>(275,932)</u>	<u>(177,020)</u>
Cash Flows from Financing Activities:					
Decrease in Short-term Loans	\$ (3,823)	\$ (111,960)	\$ (116,009)	\$ (26,480)	\$ (18,094)
Proceeds from Issuance of Bonds	6,423	188,094	59,651	108,843	49,318
Interest Paid	(222)	(6,498)	(1,841)	(3,553)	(1,649)
Cash Dividends Paid for Common Stock	(7,306)	(213,926)	(71,309)	(71,309)	(64,826)
Repurchase of Treasury Stock	(30)	(872)	-	-	-
Others	504	14,750	(898)	11,579	(73)
Net Cash Generated by (Used in) Financing Activities	<u>(4,454)</u>	<u>(130,412)</u>	<u>(130,406)</u>	<u>19,080</u>	<u>(35,324)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	\$ 2,941	\$ 86,114	\$ 44,922	\$ 19,602	\$ (532)
Net Increase in Cash and Cash Equivalents	<u>7,889</u>	<u>231,023</u>	<u>42,824</u>	<u>101,599</u>	<u>105,830</u>
Cash and Cash Equivalents at Beginning of Period	<u>36,369</u>	<u>1,064,990</u>	<u>1,253,189</u>	<u>1,151,590</u>	<u>747,982</u>
Cash and Cash Equivalents at End of Period	<u>\$ 44,258</u>	<u>\$ 1,296,013</u>	<u>\$ 1,296,013</u>	<u>\$ 1,253,189</u>	<u>\$ 853,812</u>

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$29.283 for the nine months ended September 30, 2022.