

**Taiwan Semiconductor Manufacturing
Company Limited and Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2022 and 2021 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Taiwan Semiconductor Manufacturing Company Limited

Introduction

We have reviewed the accompanying consolidated balance sheets of Taiwan Semiconductor Manufacturing Company Limited and its subsidiaries (collectively, the "Company") as of September 30, 2022 and 2021, the related consolidated statements of comprehensive income for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, of changes in equity, and of cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

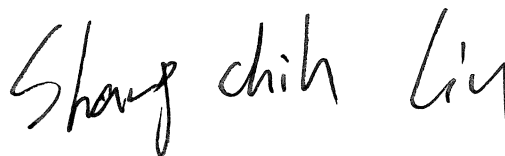
Scope of Review

We conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of the Company as of September 30, 2022 and 2021, its consolidated financial performance for the three months ended September 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the nine months then ended September 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Mei Yen Chiang and Shang Chih Lin.



Deloitte & Touche
Taipei, Taiwan
Republic of China

November 8, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

| | September 30, 2022 (Reviewed) | | December 31, 2021 (Audited) | | September 30, 2021 (Reviewed) | |
|-----------------------------------------------------------------------------------|----------------------------------|------------|--------------------------------|------------|----------------------------------|------------|
| | Amount | % | Amount | % | Amount | % |
| ASSETS | | | | | | |
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents (Note 6) | \$ 1,296,012,784 | 28 | \$ 1,064,990,192 | 29 | \$ 853,811,966 | 26 |
| Financial assets at fair value through profit or loss (Note 7) | 4,705,434 | - | 159,048 | - | 33,956 | - |
| Financial assets at fair value through other comprehensive income (Note 8) | 126,209,422 | 3 | 119,519,251 | 3 | 121,935,878 | 4 |
| Financial assets at amortized cost (Note 9) | 71,857,468 | 1 | 3,773,571 | - | - | - |
| Hedging financial assets (Note 10) | 88,431 | - | 13,468 | - | 37,769 | - |
| Notes and accounts receivable, net (Note 11) | 260,447,134 | 6 | 197,586,109 | 5 | 186,309,080 | 6 |
| Receivables from related parties (Note 31) | 1,091,174 | - | 715,324 | - | 859,144 | - |
| Other receivables from related parties (Note 31) | 76,143 | - | 61,531 | - | 73,090 | - |
| Inventories (Note 12) | 218,335,874 | 5 | 193,102,321 | 5 | 182,233,752 | 5 |
| Other financial assets (Note 32) | 24,855,999 | - | 16,630,611 | 1 | 14,007,812 | - |
| Other current assets | 10,552,495 | - | 10,521,481 | - | 11,336,722 | - |
| Total current assets | <u>2,014,232,358</u> | <u>43</u> | <u>1,607,072,907</u> | <u>43</u> | <u>1,370,639,169</u> | <u>41</u> |
| NONCURRENT ASSETS | | | | | | |
| Financial assets at fair value through other comprehensive income (Note 8) | 6,784,978 | - | 5,887,892 | - | 5,729,779 | - |
| Financial assets at amortized cost (Note 9) | 42,347,584 | 1 | 1,533,391 | - | 1,545,597 | - |
| Investments accounted for using equity method (Note 13) | 26,663,336 | 1 | 21,963,418 | 1 | 20,455,175 | 1 |
| Property, plant and equipment (Note 14) | 2,411,490,251 | 52 | 1,975,118,704 | 53 | 1,828,894,565 | 55 |
| Right-of-use assets (Note 15) | 42,349,743 | 1 | 32,734,537 | 1 | 32,961,097 | 1 |
| Intangible assets (Note 16) | 26,706,552 | 1 | 26,821,697 | 1 | 25,643,914 | 1 |
| Deferred income tax assets (Note 4) | 63,058,097 | 1 | 49,153,886 | 1 | 41,925,391 | 1 |
| Refundable deposits | 4,451,490 | - | 2,624,854 | - | 2,422,262 | - |
| Other noncurrent assets | 5,217,377 | - | 2,592,169 | - | 2,094,935 | - |
| Total noncurrent assets | <u>2,629,069,408</u> | <u>57</u> | <u>2,118,430,548</u> | <u>57</u> | <u>1,961,672,715</u> | <u>59</u> |
| TOTAL | <u>\$ 4,643,301,766</u> | <u>100</u> | <u>\$ 3,725,503,455</u> | <u>100</u> | <u>\$ 3,332,311,884</u> | <u>100</u> |
| LIABILITIES AND EQUITY | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Short-term loans (Notes 17 and 29) | \$ - | - | \$ 114,921,333 | 3 | \$ 118,844,065 | 4 |
| Financial liabilities at fair value through profit or loss (Note 7) | 611,010 | - | 681,914 | - | 1,405,470 | - |
| Hedging financial liabilities (Note 10) | - | - | 9,642 | - | - | - |
| Accounts payable | 60,147,405 | 1 | 47,285,603 | 1 | 41,733,233 | 1 |
| Payables to related parties (Note 31) | 1,870,819 | - | 1,437,186 | - | 2,155,628 | - |
| Salary and bonus payable | 31,380,029 | 1 | 23,802,100 | 1 | 20,422,409 | 1 |
| Accrued profit sharing bonus to employees and compensation to directors (Note 28) | 45,041,965 | 1 | 36,524,741 | 1 | 27,219,784 | 1 |
| Payables to contractors and equipment suppliers | 159,780,369 | 3 | 145,742,148 | 4 | 128,367,724 | 4 |
| Cash dividends payable (Note 20) | 142,617,093 | 3 | 142,617,093 | 4 | 142,617,092 | 4 |
| Income tax payable (Note 4) | 76,005,324 | 2 | 59,647,152 | 2 | 33,614,402 | 1 |
| Long-term liabilities - current portion (Notes 18, 19 and 29) | 23,426,667 | 1 | 4,566,667 | - | - | - |
| Accrued expenses and other current liabilities (Notes 15, 21, 29 and 31) | 266,550,606 | 6 | 162,267,779 | 4 | 139,241,643 | 4 |
| Total current liabilities | <u>807,431,287</u> | <u>18</u> | <u>739,503,358</u> | <u>20</u> | <u>655,621,450</u> | <u>20</u> |
| NONCURRENT LIABILITIES | | | | | | |
| Bonds payable (Notes 18 and 29) | 842,386,471 | 18 | 610,070,652 | 16 | 459,733,448 | 14 |
| Long-term bank loans (Notes 19 and 29) | 3,055,178 | - | 3,309,131 | - | 3,472,190 | - |
| Deferred income tax liabilities (Note 4) | 1,466,389 | - | 1,873,877 | - | 2,306,909 | - |
| Lease liabilities (Notes 15 and 29) | 30,182,353 | 1 | 20,764,214 | 1 | 21,052,983 | 1 |
| Net defined benefit liability (Note 4) | 8,503,262 | - | 11,036,879 | - | 11,276,177 | - |
| Guarantee deposits | 907,991 | - | 686,762 | - | 641,546 | - |
| Others (Note 21) | 197,052,676 | 4 | 167,525,377 | 5 | 99,886,871 | 3 |
| Total noncurrent liabilities | <u>1,083,554,320</u> | <u>23</u> | <u>815,266,892</u> | <u>22</u> | <u>598,370,124</u> | <u>18</u> |
| Total liabilities | <u>1,890,985,607</u> | <u>41</u> | <u>1,554,770,250</u> | <u>42</u> | <u>1,253,991,574</u> | <u>38</u> |
| EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT | | | | | | |
| Capital stock (Notes 4 and 20) | 259,303,805 | 6 | 259,303,805 | 7 | 259,303,805 | 8 |
| Capital surplus (Notes 4, 20 and 27) | 69,316,391 | 1 | 64,761,602 | 2 | 64,746,864 | 2 |
| Retained earnings (Notes 4 and 20) | | | | | | |
| Appropriated as legal capital reserve | 311,146,899 | 7 | 311,146,899 | 8 | 311,146,899 | 9 |
| Appropriated as special capital reserve | 35,064,663 | 1 | 59,304,212 | 2 | 58,594,043 | 2 |
| Unappropriated earnings | 2,066,562,035 | 44 | 1,536,378,550 | 41 | 1,441,532,663 | 43 |
| | <u>2,412,773,597</u> | <u>52</u> | <u>1,906,829,661</u> | <u>51</u> | <u>1,811,273,605</u> | <u>54</u> |
| Others (Notes 4, 20 and 27) | (3,419,487) | - | (62,608,515) | (2) | (59,304,212) | (2) |
| Equity attributable to shareholders of the parent | <u>2,737,974,306</u> | <u>59</u> | <u>2,168,286,553</u> | <u>58</u> | <u>2,076,020,062</u> | <u>62</u> |
| NON - CONTROLLING INTERESTS | <u>14,341,853</u> | <u>-</u> | <u>2,446,652</u> | <u>-</u> | <u>2,300,248</u> | <u>-</u> |
| Total equity | <u>2,752,316,159</u> | <u>59</u> | <u>2,170,733,205</u> | <u>58</u> | <u>2,078,320,310</u> | <u>62</u> |
| TOTAL | <u>\$ 4,643,301,766</u> | <u>100</u> | <u>\$ 3,725,503,455</u> | <u>100</u> | <u>\$ 3,332,311,884</u> | <u>100</u> |

The accompanying notes are an integral part of the consolidated financial statements.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

| | For the Three Months Ended September 30 | | | | For the Nine Months Ended September 30 | | | |
|--------------------------------------------------------------------------------------------------------------|-----------------------------------------|-----------|-----------------------|-----------|----------------------------------------|-----------|-----------------------|-----------|
| | 2022 | | 2021 | | 2022 | | 2021 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| NET REVENUE (Notes 21, 31 and 36) | \$ 613,142,743 | 100 | \$ 414,670,379 | 100 | \$ 1,638,359,424 | 100 | \$ 1,149,225,731 | 100 |
| COST OF REVENUE (Notes 12, 28 and 31) | <u>242,644,026</u> | <u>40</u> | <u>201,924,184</u> | <u>49</u> | <u>679,189,547</u> | <u>41</u> | <u>560,443,288</u> | <u>49</u> |
| GROSS PROFIT | <u>370,498,717</u> | <u>60</u> | <u>212,746,195</u> | <u>51</u> | <u>959,169,877</u> | <u>59</u> | <u>588,782,443</u> | <u>51</u> |
| OPERATING EXPENSES (Notes 28 and 31) | | | | | | | | |
| Research and development | 42,977,507 | 7 | 30,866,634 | 7 | 118,675,177 | 7 | 92,496,368 | 8 |
| General and administrative | 14,499,002 | 2 | 8,929,793 | 2 | 36,567,623 | 2 | 23,280,651 | 2 |
| Marketing | <u>2,709,953</u> | - | <u>1,853,489</u> | <u>1</u> | <u>6,929,370</u> | <u>1</u> | <u>5,568,153</u> | - |
| Total operating expenses | <u>60,186,462</u> | <u>9</u> | <u>41,649,916</u> | <u>10</u> | <u>162,172,170</u> | <u>10</u> | <u>121,345,172</u> | <u>10</u> |
| OTHER OPERATING INCOME AND EXPENSES, NET (Notes 28) | <u>11,959</u> | - | <u>(92,731)</u> | - | <u>(759,626)</u> | - | <u>(228,328)</u> | - |
| INCOME FROM OPERATIONS (Note 36) | <u>310,324,214</u> | <u>51</u> | <u>171,003,548</u> | <u>41</u> | <u>796,238,081</u> | <u>49</u> | <u>467,208,943</u> | <u>41</u> |
| NON-OPERATING INCOME AND EXPENSES | | | | | | | | |
| Share of profits of associates | 2,077,809 | - | 1,513,156 | - | 6,061,304 | - | 3,952,156 | - |
| Interest income (Note 22) | 6,615,044 | 1 | 1,356,544 | - | 11,834,868 | 1 | 4,246,129 | - |
| Other income | 120,905 | - | 155,818 | - | 941,465 | - | 813,088 | - |
| Foreign exchange gain, net (Note 34) | (3,748,421) | (1) | 3,724,723 | 1 | 5,859,265 | - | 9,848,594 | 1 |
| Finance costs (Note 23) | (3,370,018) | - | (1,334,063) | - | (8,415,015) | (1) | (3,240,557) | - |
| Other gains and losses, net (Note 24) | <u>4,671,334</u> | <u>1</u> | <u>(2,568,087)</u> | - | <u>(2,999,124)</u> | - | <u>(4,521,250)</u> | - |
| Total non-operating income and expenses | <u>6,366,653</u> | <u>1</u> | <u>2,848,091</u> | <u>1</u> | <u>13,282,763</u> | - | <u>11,098,160</u> | <u>1</u> |
| INCOME BEFORE INCOME TAX | 316,690,867 | 52 | 173,851,639 | 42 | 809,520,844 | 49 | 478,307,103 | 42 |
| INCOME TAX EXPENSE (Notes 4 and 25) | <u>35,722,460</u> | <u>6</u> | <u>17,372,485</u> | <u>4</u> | <u>88,498,811</u> | <u>5</u> | <u>47,607,484</u> | <u>5</u> |
| NET INCOME | <u>280,968,407</u> | <u>46</u> | <u>156,479,154</u> | <u>38</u> | <u>721,022,033</u> | <u>44</u> | <u>430,699,619</u> | <u>37</u> |
| OTHER COMPREHENSIVE INCOME (LOSS) (Notes 20) | | | | | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | | | | | |
| Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income | (103,591) | - | 264,000 | - | 68,610 | - | 1,081,336 | - |
| Loss on hedging instruments | - | - | - | - | - | - | (41,416) | - |
| Share of other comprehensive income of associates | 21,431 | - | 17,230 | - | 76,518 | - | 21,732 | - |
| Income tax benefit (expense) related to items that will not be reclassified subsequently | <u>31</u> | - | <u>(231)</u> | - | <u>262</u> | - | <u>(56,076)</u> | - |
| Items that may be reclassified subsequently to profit or loss: | <u>(82,129)</u> | - | <u>280,999</u> | - | <u>145,390</u> | - | <u>1,005,576</u> | - |
| Exchange differences arising on translation of foreign operations | 34,872,636 | 5 | (541,643) | - | 68,084,934 | 4 | (3,636,922) | - |
| Unrealized loss on investments in debt instruments at fair value through other comprehensive income | (2,973,821) | - | (419,794) | - | (11,263,186) | - | (2,209,963) | - |
| Gain on hedging instruments | 4,989 | - | - | - | 1,347,573 | - | - | - |
| Share of other comprehensive income (loss) of associates | 299,724 | - | (26,886) | - | 591,374 | - | (100,543) | - |
| Income tax benefit related to items that may be reclassified subsequently | - | - | - | - | 6,036 | - | - | - |
| Other comprehensive income (loss) for the period, net of income tax | <u>32,203,528</u> | <u>5</u> | <u>(988,323)</u> | - | <u>58,766,731</u> | <u>4</u> | <u>(5,947,428)</u> | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | <u>\$ 313,089,806</u> | <u>51</u> | <u>\$ 155,771,830</u> | <u>38</u> | <u>\$ 779,934,154</u> | <u>48</u> | <u>\$ 425,757,767</u> | <u>37</u> |
| NET INCOME ATTRIBUTABLE TO: | | | | | | | | |
| Shareholders of the parent | \$ 280,865,780 | 46 | \$ 156,258,287 | 38 | \$ 720,626,072 | 44 | \$ 430,307,722 | 37 |
| Non-controlling interests | <u>102,627</u> | - | <u>220,867</u> | - | <u>395,961</u> | - | <u>391,897</u> | - |
| | <u>\$ 280,968,407</u> | <u>46</u> | <u>\$ 156,479,154</u> | <u>38</u> | <u>\$ 721,022,033</u> | <u>44</u> | <u>\$ 430,699,619</u> | <u>37</u> |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | | | | | |
| Shareholders of the parent | \$ 312,889,198 | 51 | \$ 155,549,779 | 38 | \$ 780,221,513 | 48 | \$ 425,364,812 | 37 |
| Non-controlling interests | <u>200,608</u> | - | <u>222,051</u> | - | <u>(287,359)</u> | - | <u>392,955</u> | - |
| | <u>\$ 313,089,806</u> | <u>51</u> | <u>\$ 155,771,830</u> | <u>38</u> | <u>\$ 779,934,154</u> | <u>48</u> | <u>\$ 425,757,767</u> | <u>37</u> |
| EARNINGS PER SHARE (NT\$, Note 26) | | | | | | | | |
| Basic earnings per share | <u>\$ 10.83</u> | | <u>\$ 6.03</u> | | <u>\$ 27.79</u> | | <u>\$ 16.59</u> | |
| Diluted earnings per share | <u>\$ 10.83</u> | | <u>\$ 6.03</u> | | <u>\$ 27.79</u> | | <u>\$ 16.59</u> | |

The accompanying notes are an integral part of the consolidated financial statements.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

| | Equity Attributable to Shareholders of the Parent | | | | | | | Others | | | | | | | Non-controlling Interests | Total Equity |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-----------------------|----------------------|-----------------------|-------------------------|-------------------------|-------------------------|--------------------------------------|---------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------------|------------------------|-------------|-------------------------|---------------------------|-------------------------|
| | Capital Stock - Common Stock | | | Retained Earnings | | | | Foreign Currency Translation Reserve | Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income | Gain (Loss) on Hedging Instruments | Unearned Stock-Based Employee Compensation | Treasury Stock | Total | | | |
| | Shares (In Thousands) | Amount | Capital Surplus | Legal Capital Reserve | Special Capital Reserve | Unappropriated Earnings | Total | | | | | | | | | |
| BALANCE, JANUARY 1, 2021 | 25,930,380 | \$ 259,303,805 | \$ 56,347,243 | \$ 311,146,899 | \$ 42,259,146 | \$ 1,235,280,036 | \$ 1,588,686,081 | \$ (57,001,627) | \$ 2,321,754 | \$ - | \$ - | \$ (54,679,873) | \$ - | \$ 1,849,657,256 | \$ 964,743 | \$ 1,850,621,999 |
| Appropriations of earnings | | | | | | | | | | | | | | | | |
| Special capital reserve | - | - | - | - | 16,334,897 | (16,334,897) | - | - | - | - | - | - | - | - | - | - |
| Cash dividends to shareholders | - | - | - | - | - | (207,443,043) | (207,443,043) | - | - | - | - | - | - | (207,443,043) | - | (207,443,043) |
| Total | - | - | - | - | 16,334,897 | (223,777,940) | (207,443,043) | - | - | - | - | - | - | (207,443,043) | - | (207,443,043) |
| Net income for the nine months ended September 30, 2021 | - | - | - | - | - | 430,307,722 | 430,307,722 | - | - | - | - | - | - | 430,307,722 | 391,897 | 430,699,619 |
| Other comprehensive loss for the nine months ended September 30, 2021, net of income tax | - | - | - | - | - | - | - | (3,737,424) | (1,160,964) | (44,522) | - | (4,942,910) | - | (4,942,910) | 1,058 | (4,941,852) |
| Total comprehensive income (loss) for the nine months ended September 30, 2021 | - | - | - | - | - | 430,307,722 | 430,307,722 | (3,737,424) | (1,160,964) | (44,522) | - | (4,942,910) | - | 425,364,812 | 392,955 | 425,757,767 |
| Disposal of investments in equity instruments at fair value through other comprehensive income | - | - | - | - | - | (277,155) | (277,155) | - | 277,155 | - | - | 277,155 | - | - | - | - |
| Basis adjustment for gain on hedging instruments | - | - | - | - | - | - | - | - | - | 41,416 | - | 41,416 | - | 41,416 | - | 41,416 |
| Adjustments to share of changes in equities of associates | - | - | 317 | - | - | - | - | - | - | - | - | - | - | 317 | - | 317 |
| From difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual disposal | - | - | 8,406,282 | - | - | - | - | - | - | - | - | - | - | 8,406,282 | 1,045,516 | 9,451,798 |
| From share of changes in equities of subsidiaries | - | - | (6,978) | - | - | - | - | - | - | - | - | - | - | (6,978) | 6,978 | - |
| Decrease in non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (110,099) | (110,099) |
| Effect of acquisition of subsidiary | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 155 | 155 |
| BALANCE, SEPTEMBER 30, 2021 | 25,930,380 | \$ 259,303,805 | \$ 64,746,864 | \$ 311,146,899 | \$ 58,594,043 | \$ 1,441,532,663 | \$ 1,811,273,605 | \$ (60,739,051) | \$ 1,437,945 | \$ (3,106) | \$ - | \$ (59,304,212) | \$ - | \$ 2,076,020,062 | \$ 2,300,248 | \$ 2,078,320,310 |
| BALANCE, JANUARY 1, 2022 | 25,930,380 | \$ 259,303,805 | \$ 64,761,602 | \$ 311,146,899 | \$ 59,304,212 | \$ 1,536,378,550 | \$ 1,906,829,661 | \$ (63,303,361) | \$ 574,310 | \$ 120,536 | \$ - | \$ (62,608,515) | \$ - | \$ 2,168,286,553 | \$ 2,446,652 | \$ 2,170,733,205 |
| Appropriations of earnings | | | | | | | | | | | | | | | | |
| Special capital reserve | - | - | - | - | (24,239,549) | 24,239,549 | - | - | - | - | - | - | - | - | - | - |
| Cash dividends to shareholders | - | - | - | - | - | (213,925,638) | (213,925,638) | - | - | - | - | - | - | (213,925,638) | - | (213,925,638) |
| Total | - | - | - | - | (24,239,549) | (189,686,089) | (213,925,638) | - | - | - | - | - | - | (213,925,638) | - | (213,925,638) |
| Net income for the nine months ended September 30, 2022 | - | - | - | - | - | 720,626,072 | 720,626,072 | - | - | - | - | - | - | 720,626,072 | 395,961 | 721,022,033 |
| Other comprehensive income (loss) for the nine months ended September 30, 2022, net of income tax | - | - | - | - | - | - | - | 69,359,198 | (11,207,118) | 1,443,361 | - | 59,595,441 | - | 59,595,441 | (683,320) | 58,912,121 |
| Total comprehensive income (loss) for the nine months ended September 30, 2022 | - | - | - | - | - | 720,626,072 | 720,626,072 | 69,359,198 | (11,207,118) | 1,443,361 | - | 59,595,441 | - | 780,221,513 | (287,359) | 779,934,154 |
| Share-based payment arrangements | 1,387 | 13,870 | 438,029 | - | - | - | - | - | - | - | (265,177) | (265,177) | - | 186,722 | - | 186,722 |
| Treasury stock acquired | - | - | - | - | - | - | - | - | - | - | - | - | (871,566) | (871,566) | - | (871,566) |
| Treasury stock retired | (1,387) | (13,870) | (2,989) | - | - | (854,707) | (854,707) | - | - | - | - | - | 871,566 | - | - | |
| Disposal of investments in equity instruments at fair value through other comprehensive income | - | - | - | - | - | 98,209 | 98,209 | - | (98,209) | - | - | (98,209) | - | - | - | - |
| Basis adjustment for loss on hedging instruments | - | - | - | - | - | - | - | - | - | (43,027) | - | (43,027) | - | (43,027) | - | (43,027) |
| Adjustments to share of changes in equities of associates | - | - | 2,582 | - | - | - | - | - | - | - | - | - | - | 2,582 | - | 2,582 |
| From share of changes in equities of subsidiaries | - | - | 4,117,167 | - | - | - | - | - | - | - | - | - | - | 4,117,167 | 12,348,992 | 16,466,159 |
| Decrease in non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (166,432) | (166,432) |
| BALANCE, SEPTEMBER 30, 2022 | 25,930,380 | \$ 259,303,805 | \$ 69,316,391 | \$ 311,146,899 | \$ 35,064,663 | \$ 2,066,562,035 | \$ 2,412,773,597 | \$ 6,055,837 | \$ (10,731,017) | \$ 1,520,870 | \$ (265,177) | \$ (3,419,487) | \$ - | \$ 2,737,974,306 | \$ 14,341,853 | \$ 2,752,316,159 |

The accompanying notes are an integral part of the consolidated financial statements.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

| | <u>Nine Months Ended September 30</u> | |
|------------------------------------------------------------------------------------------------------------------|---------------------------------------|--------------------|
| | 2022 | 2021 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax | \$ 809,520,844 | \$ 478,307,103 |
| Adjustments for: | | |
| Depreciation expense | 323,122,219 | 305,598,797 |
| Amortization expense | 6,550,157 | 6,133,442 |
| Expected credit losses recognized (reversal) on investments in debt instruments | 33,282 | (5,246) |
| Finance costs | 8,415,015 | 3,240,557 |
| Share of profits of associates | (6,061,304) | (3,952,156) |
| Interest income | (11,834,868) | (4,246,129) |
| Share-based compensation | 222,091 | 6,007 |
| Loss on disposal or retirement of property, plant and equipment, net | 91,532 | 123,673 |
| Loss on disposal or retirement of intangible assets, net | - | 1,228 |
| Impairment loss on property, plant and equipment | 790,740 | 274,388 |
| Loss (gain) on disposal of investments in debt instruments at fair value through other comprehensive income, net | 346,125 | (183,349) |
| Loss (gain) on foreign exchange, net | 12,532,183 | (11,104,453) |
| Dividend income | (260,534) | (357,214) |
| Others | (292,572) | (338,686) |
| Changes in operating assets and liabilities: | | |
| Financial instruments at fair value through profit or loss | (4,622,312) | 3,497,620 |
| Notes and accounts receivable, net | (62,861,124) | (40,828,800) |
| Receivables from related parties | (375,850) | (301,013) |
| Other receivables from related parties | (14,612) | (22,445) |
| Inventories | (25,233,553) | (44,880,345) |
| Other financial assets | (4,371,124) | (4,503,858) |
| Other current assets | (1,072,295) | (4,760,353) |
| Accounts payable | 12,861,802 | 2,745,949 |
| Payables to related parties | 433,633 | 47,910 |
| Salary and bonus payable | 7,577,929 | 351,168 |
| Accrued profit sharing bonus to employees and compensation to directors | 8,517,224 | (8,461,262) |
| Accrued expenses and other current liabilities | 38,582,192 | 51,695,061 |
| Other noncurrent liabilities | 100,127,809 | 89,862,181 |
| Net defined benefit liability | (2,533,617) | (637,897) |
| Cash generated from operations | 1,210,191,012 | 817,301,878 |
| Income taxes paid | (86,473,728) | (83,340,473) |
| Net cash generated by operating activities | <u>1,123,717,284</u> | <u>733,961,405</u> |

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

| | <u>Nine Months Ended September 30</u> | |
|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------|
| | 2022 | 2021 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisitions of: | | |
| Financial assets at fair value through other comprehensive income | \$ (49,269,573) | \$ (195,441,758) |
| Financial assets at amortized cost | (123,508,899) | - |
| Property, plant and equipment | (745,827,757) | (603,639,699) |
| Intangible assets | (5,471,086) | (5,677,525) |
| Proceeds from disposal or redemption of: | | |
| Financial assets at fair value through other comprehensive income | 41,221,410 | 198,739,617 |
| Financial assets at amortized cost | 20,620,129 | 9,368,275 |
| Property, plant and equipment | 801,029 | 213,686 |
| Proceeds from return of capital of investments in equity instruments at fair value through other comprehensive income | 300 | 115,627 |
| Derecognition of hedging financial instruments | 1,591,074 | 101,616 |
| Interest received | 9,440,363 | 4,469,674 |
| Proceeds from government grants - property, plant and equipment | 462,822 | 522,779 |
| Proceeds from government grants - others | 874 | 6,605 |
| Other dividends received | 260,534 | 357,214 |
| Dividends received from investments accounted for using equity method | 2,749,667 | 2,136,426 |
| Increase in prepayments for leases | - | (1,200,000) |
| Refundable deposits paid | (1,904,318) | (1,563,585) |
| Refundable deposits refunded | <u>437,209</u> | <u>468,477</u> |
| Net cash used in investing activities | <u>(848,396,222)</u> | <u>(591,022,571)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase (decrease) in short-term loans | (111,959,992) | 37,530,131 |
| Proceeds from issuance of bonds | 188,093,561 | 207,127,507 |
| Repayment of bonds | - | (2,600,000) |
| Proceeds from long-term bank loans | 500,000 | 1,510,000 |
| Payments for transaction costs attributable to the issuance of bonds | (403,162) | (329,346) |
| Treasury stock acquired | (871,566) | - |
| Repayment of the principal portion of lease liabilities | (1,767,753) | (1,450,722) |
| Interest paid | (6,498,170) | (2,694,972) |
| Guarantee deposits received | 199,190 | 410,439 |
| Guarantee deposits refunded | (43,314) | (36,611) |
| Cash dividends | (213,925,639) | (194,477,853) |
| Disposal of ownership interests in subsidiaries (without losing control) | - | 9,451,798 |
| Increase (decrease) in non-controlling interests | <u>16,264,358</u> | <u>(115,951)</u> |
| Net cash generated by (used in) financing activities | <u>(130,412,487)</u> | <u>54,324,420</u> |

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

| | <u>Nine Months Ended September 30</u> | |
|--------------------------------------------------------------|---------------------------------------|-----------------------|
| | <u>2022</u> | <u>2021</u> |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | \$ <u>86,114,017</u> | \$ <u>(3,621,935)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 231,022,592 | 193,641,319 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD | <u>1,064,990,192</u> | <u>660,170,647</u> |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | <u>\$1,296,012,784</u> | <u>\$ 853,811,966</u> |

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

(Reviewed, Not Audited)

1. GENERAL

Taiwan Semiconductor Manufacturing Company Limited (TSMC), a Republic of China (R.O.C.) corporation, was incorporated on February 21, 1987. TSMC is a dedicated foundry in the semiconductor industry which engages mainly in the manufacturing, sales, packaging, testing and computer-aided design of integrated circuits and other semiconductor devices and the manufacturing of masks.

On September 5, 1994, TSMC's shares were listed on the Taiwan Stock Exchange (TWSE). On October 8, 1997, TSMC listed some of its shares of stock on the New York Stock Exchange (NYSE) in the form of American Depositary Shares (ADSs).

The address of its registered office and principal place of business is No. 8, Li-Hsin Rd. 6, Hsinchu Science Park, Taiwan. The principal operating activities of TSMC's subsidiaries are described in Note 4.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on November 8, 2022.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the accounting policies of TSMC and its subsidiaries (collectively as the "Company").

- b. The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by FSC with effective date starting 2023

| <u>New, Revised or Amended Standards and Interpretations</u> | <u>Effective Date Issued by IASB</u> |
|---------------------------------------------------------------------------------------------------------|------------------------------------------|
| Amendments to IAS 1 "Disclosure of Accounting Policies" | January 1, 2023 |
| Amendments to IAS 8 "Definition of Accounting Estimates" | January 1, 2023 |
| Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction" | January 1, 2023 |

- c. The IFRSs issued by IASB, but not yet endorsed and issued into effect by the FSC

| <u>New, Revised or Amended Standards and Interpretations</u> | <u>Effective Date Issued by IASB</u> |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” | To be determined by IASB |
| Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” | January 1, 2024 |
| Amendments to IAS 1 “Non-current Liabilities with Covenants” | January 1, 2024 |

As of the date the accompanying consolidated financial statements were issued, the Company continues in evaluating the impact on its financial position and financial performance from the initial adoption of the aforementioned standards or interpretations and related applicable period. The related impact will be disclosed when the Company completes its evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2021.

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language consolidated financial statements shall prevail.

Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Financial Reporting,” endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRSs endorsed and issued into effect by the FSC (collectively, “Taiwan-IFRSs”).

Basis of Consolidation

The basis of preparation and the basis for the consolidated financial statements

The basis of preparation and the basis for the consolidated financial statements applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2021.

The subsidiaries in the consolidated financial statements

The detail information of the subsidiaries at the end of reporting period is as follows:

| Name of Investor | Name of Investee | Main Businesses and Products | Establishment and Operating Location | Percentage of Ownership | | | Note |
|------------------|-----------------------------------------------|----------------------------------------------------------------------------|--------------------------------------|-------------------------|-------------------|--------------------|------|
| | | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| TSMC | TSMC North America | Sales and marketing of integrated circuits and other semiconductor devices | San Jose, California, U.S.A. | 100% | 100% | 100% | - |
| | TSMC Europe B.V. (TSMC Europe) | Customer service and supporting activities | Amsterdam, the Netherlands | 100% | 100% | 100% | a) |
| | TSMC Japan Limited (TSMC Japan) | Customer service and supporting activities | Yokohama, Japan | 100% | 100% | 100% | a) |
| | TSMC Design Technology Japan, Inc. (TSMC JDC) | Engineering support activities | Yokohama, Japan | 100% | 100% | 100% | a) |
| | TSMC Japan 3DIC R&D Center, Inc. (TSMC 3DIC) | Engineering support activities | Yokohama, Japan | 100% | 100% | 100% | a) |

(Continued)

| Name of Investor | Name of Investee | Main Businesses and Products | Establishment and Operating Location | Percentage of Ownership | | | Note |
|------------------|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------|-------------------|--------------------|--------|
| | | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| TSMC | TSMC Korea Limited (TSMC Korea) | Customer service and supporting activities | Seoul, Korea | 100% | 100% | 100% | a) |
| | TSMC Partners, Ltd. (TSMC Partners) | Investing in companies involved in the semiconductor design and manufacturing, and other investment activities | Tortola, British Virgin Islands | 100% | 100% | 100% | a) |
| | TSMC Global, Ltd. (TSMC Global) | Investment activities | Tortola, British Virgin Islands | 100% | 100% | 100% | - |
| | TSMC China Company Limited (TSMC China) | Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices | Shanghai, China | 100% | 100% | 100% | - |
| | TSMC Nanjing Company Limited (TSMC Nanjing) | Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices | Nanjing, China | 100% | 100% | 100% | - |
| | VisEra Technologies Company Ltd. (VisEra Tech) | Research, design, development, manufacturing, sales, packaging and test of color filter | Hsin-Chu, Taiwan | 68% | 73% | 73% | b) |
| | TSMC Arizona Corporation (TSMC Arizona) | Manufacturing, sales and testing of integrated circuits and other semiconductor devices | Phoenix, Arizona, U.S.A. | 100% | 100% | 100% | a), c) |
| | Japan Advanced Semiconductor Manufacturing, Inc. (JASM) | Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices | Kumamoto, Japan | 71% | 100% | - | a), d) |
| | VentureTech Alliance Fund II, L.P. (VTAF II) | Investing in technology start-up companies | Cayman Islands | 98% | 98% | 98% | a) |
| | VentureTech Alliance Fund III, L.P. (VTAF III) | Investing in technology start-up companies | Cayman Islands | 98% | 98% | 98% | a) |
| TSMC Partners | Emerging Fund L.P. (Emerging Fund) | Investing in technology start-up companies | Cayman Islands | 99.9% | 99.9% | 99.9% | a) |
| | TSMC Development, Inc. (TSMC Development) | Investing in companies involved in semiconductor manufacturing | Delaware, U.S.A. | 100% | 100% | 100% | - |
| | TSMC Technology, Inc. (TSMC Technology) | Engineering support activities | Delaware, U.S.A. | 100% | 100% | 100% | a) |
| TSMC Development | TSMC Design Technology Canada Inc. (TSMC Canada) | Engineering support activities | Ontario, Canada | 100% | 100% | 100% | a) |
| | WaferTech, LLC (WaferTech) | Manufacturing, sales and testing of integrated circuits and other semiconductor devices | Washington, U.S.A. | 100% | 100% | 100% | - |
| VTAF III | Growth Fund Limited (Growth Fund) | Investing in technology start-up companies | Cayman Islands | 100% | 100% | 100% | a) |

(Concluded)

Note a: This is an immaterial subsidiary for which the consolidated financial statements are neither reviewed nor audited by the Company's independent auditors.

Note b: VisEra has increased its capital in June 2022. After the increase in capital, TSMC's shareholding in VisEra decreased from 73% to 68%. This transaction was accounted for as an equity transaction since the transaction did not change TSMC's control over VisEra.

Note c: Under the terms of the development agreement entered into between TSMC Arizona and the City of Phoenix, the City of Phoenix commits approximately US\$205 million toward various public infrastructure projects in the area of the proposed manufacturing facility, conditioned on TSMC Arizona's achieving a minimum project scale with defined spending and job-creation thresholds.

Note d: JASM is established in December 2021 and has increased its capital in January 2022. After the increase in capital, TSMC's shareholding in JASM decreased from 100% to 81%. In addition, JASM increased its capital by issuing noncumulative preferred shares and common shares in April 2022, TSMC's shareholding in JASM decreased from 81% to 71% and the proportion of voting right remain 81%. The aforementioned transactions were accounted for as an equity transaction since the transaction did not change TSMC's control over JASM.

Retirement Benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year.

Treasury Stock

Treasury stock represents the outstanding shares that the Company buys back from market, which is stated at cost and shown as a deduction in shareholders' equity. When the Company retires treasury stock, the treasury stock account is reduced and the common stock as well as the capital surplus - additional paid-in capital are reversed on a pro rata basis. When the book value of the treasury stock exceeds the sum of the par value and additional paid-in capital, the difference is charged to capital surplus - treasury stock transactions and to retained earnings for any remaining amount.

Share-based payment arrangements

a. Equity-settled share-based payment arrangements

Restricted shares for employees are expensed on a straight-line basis over the vesting period, based on the fair value at the grant date and the Company's best estimate of the number expected to ultimately vest, with a corresponding increase in other equity - unearned employee benefits.

When restricted shares for employees are issued, other equity - unearned employee benefits is recognized on the grant date, with a corresponding increase in capital surplus - restricted shares for employees. Dividends paid to employees on restricted shares which do not need to be returned if employees resign in the vesting period are recognized as expenses upon the dividend declaration with a corresponding adjustment in retained earnings.

At the end of each reporting period, the Company revises its estimate of the number of restricted shares for employees that are expected to vest. The impact from such revision is recognized in profit or loss so that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - restricted shares for employees.

b. Cash-settled share-based payment arrangements

For cash-settled share-based payments, a liability is recognized for the services acquired, measured at the fair value of the liability incurred. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The Company has considered the economic implications of COVID-19 on critical accounting estimations and will continue evaluating the impact on its financial position and financial performance as a result of the pandemic.

In addition, the same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Company's consolidated financial statements for the year ended December 31, 2021.

6. CASH AND CASH EQUIVALENTS

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Cash and deposits in banks | \$1,277,760,695 | \$1,058,808,104 | \$ 847,957,032 |
| Commercial paper | 16,458,450 | - | - |
| Government bonds | 1,793,639 | 906,743 | 1,036,536 |
| Repurchase agreements | <u>-</u> | <u>5,275,345</u> | <u>4,818,398</u> |
| | <u>\$1,296,012,784</u> | <u>\$1,064,990,192</u> | <u>\$ 853,811,966</u> |

Deposits in banks consisted of highly liquid time deposits that were readily convertible to known amounts of cash and were subject to an insignificant risk of changes in value.

7. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|-------------------------------|-----------------------|----------------------|-----------------------|
| <u>Financial assets</u> | | | |
| Mandatorily measured at FVTPL | | | |
| Forward exchange contracts | \$ 4,705,434 | \$ 159,048 | \$ 33,956 |
| <u>Financial liabilities</u> | | | |
| Held for trading | | | |
| Forward exchange contracts | \$ 611,010 | \$ 681,914 | \$ 1,405,470 |

The Company entered into forward exchange contracts to manage exposures due to fluctuations of foreign exchange rates. These forward exchange contracts did not meet the criteria for hedge accounting. Therefore, the Company did not apply hedge accounting treatment for these forward exchange contracts.

Outstanding forward exchange contracts consisted of the following:

| | Maturity Date | Contract Amount (In Thousands) | |
|---------------------------|-------------------------------|-----------------------------------|-------------|
| <u>September 30, 2022</u> | | | |
| Sell NT\$ | October 2022 to November 2022 | NT\$ | 104,780,845 |
| Sell US\$ | October 2022 to December 2022 | US\$ | 1,871,955 |
| Sell RMB | October 2022 to November 2022 | RMB | 1,481,748 |
| <u>December 31, 2021</u> | | | |
| Sell NT\$ | January 2022 to March 2022 | NT\$ | 132,734,482 |
| Sell US\$ | January 2022 to March 2022 | US\$ | 2,009,148 |
| <u>September 30, 2021</u> | | | |
| Sell NT\$ | October 2021 to December 2021 | NT\$ | 126,403,873 |
| Sell US\$ | October 2021 to November 2021 | US\$ | 1,787,551 |

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|------------------------------------------------|-----------------------|----------------------|-----------------------|
| Investments in debt instruments at FVTOCI | | | |
| Corporate bonds | \$ 66,420,737 | \$ 57,253,161 | \$ 58,340,908 |
| Agency bonds/Agency mortgage-backed securities | 29,713,881 | 32,070,114 | 33,836,903 |
| Government bonds | 20,226,682 | 21,345,794 | 22,479,749 |
| Asset-backed securities | 9,580,806 | 8,660,424 | 7,219,193 |
| | <u>125,942,106</u> | <u>119,329,493</u> | <u>121,876,753</u> |

(Continued)

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|---------------------------------------------|-----------------------|-----------------------|-----------------------|
| Investments in equity instruments at FVTOCI | | | |
| Non-publicly traded equity investments | \$ 6,784,978 | \$ 5,887,892 | \$ 5,729,779 |
| Publicly traded stocks | <u>267,316</u> | <u>189,758</u> | <u>59,125</u> |
| | <u>7,052,294</u> | <u>6,077,650</u> | <u>5,788,904</u> |
| | <u>\$ 132,994,400</u> | <u>\$ 125,407,143</u> | <u>\$ 127,665,657</u> |
| Current | \$ 126,209,422 | \$ 119,519,251 | \$ 121,935,878 |
| Noncurrent | <u>6,784,978</u> | <u>5,887,892</u> | <u>5,729,779</u> |
| | <u>\$ 132,994,400</u> | <u>\$ 125,407,143</u> | <u>\$ 127,665,657</u> |

(Concluded)

These investments in equity instruments are held for medium to long-term purposes and therefore are accounted for as FVTOCI. For dividends recognized from these investments, please refer to consolidated statements of cash flows. All of the dividends are mainly from investments held at the end of the reporting period.

For the nine months ended September 30, 2022, as the Company adjusted its investment portfolios, equity investments designated at FVTOCI were divested for NT\$195,301 thousand. The related other equity-unrealized gain/loss on financial assets at FVTOCI of NT\$98,209 thousand was transferred to increase retained earnings.

As of September 30, 2022 and 2021, the cumulative loss allowance for expected credit loss of NT\$38,718 thousand and NT\$32,764 thousand was recognized under investments in debt instruments at FVTOCI, respectively. Refer to Note 30 for information relating to the credit risk management and expected credit loss.

9. FINANCIAL ASSETS AT AMORTIZED COST

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|-------------------------------------|-----------------------|----------------------|-----------------------|
| Corporate bonds | \$ 70,840,021 | \$ 5,310,039 | \$ 1,546,856 |
| Commercial paper | 43,404,235 | - | - |
| Less: Allowance for impairment loss | <u>(39,204)</u> | <u>(3,077)</u> | <u>(1,259)</u> |
| | <u>\$ 114,205,052</u> | <u>\$ 5,306,962</u> | <u>\$ 1,545,597</u> |
| Current | \$ 71,857,468 | \$ 3,773,571 | \$ - |
| Noncurrent | <u>42,347,584</u> | <u>1,533,391</u> | <u>1,545,597</u> |
| | <u>\$ 114,205,052</u> | <u>\$ 5,306,962</u> | <u>\$ 1,545,597</u> |

Refer to Note 30 for information relating to credit risk management and expected credit loss for financial assets at amortized cost.

10. HEDGING FINANCIAL INSTRUMENTS

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|----------------------------------------|-----------------------|----------------------|-----------------------|
| <u>Financial assets - current</u> | | | |
| Fair value hedges | | | |
| Interest rate futures contracts | \$ 88,431 | \$ - | \$ 37,769 |
| Cash flow hedges | | | |
| Forward interest rate contracts | <u>-</u> | <u>13,468</u> | <u>-</u> |
| | <u>\$ 88,431</u> | <u>\$ 13,468</u> | <u>\$ 37,769</u> |
| <u>Financial liabilities - current</u> | | | |
| Fair value hedges | | | |
| Interest rate futures contracts | <u>\$ -</u> | <u>\$ 9,642</u> | <u>\$ -</u> |

Fair value hedge

The Company entered into interest rate futures contracts, which are used to partially hedge against the fair value changes caused by interest rate fluctuation in the Company's fixed income investments. The hedge ratio is adjusted in response to the changes in the financial market and capped at 100%.

On the basis of economic relationships, the value of the interest rate futures contracts and the value of the hedged financial assets change in opposite directions in response to movements in interest rates.

The main source of hedge ineffectiveness in these hedging relationships is the credit risk of the hedged financial assets, which is not reflected in the fair value of the interest rate futures contracts. No other sources of ineffectiveness emerged from these hedging relationships during the hedging period. Amount of hedge ineffectiveness recognized in profit or loss is classified under other gains and losses, net.

The following tables summarize the information relating to the hedges of interest rate risk.

September 30, 2022

| Hedging Instruments | Contract Amount (US\$ in Thousands) | Maturity |
|-------------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------|
| Interest rate futures contracts - US Treasury futures | US\$ 78,900 | December 2022 |
| | | Accumulated Amount of Fair Value Hedge Adjustments |
| Hedged Items | Asset Carrying Amount | |
| Financial assets at FVTOCI | \$ 4,148,778 | \$ (88,431) |

December 31, 2021

| Hedging Instruments | Contract Amount (US\$ in Thousands) | Maturity |
|-------------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------|
| Interest rate futures contracts - US Treasury futures | US\$ 53,900 | March 2022 |
| | | Accumulated Amount of Fair Value Hedge Adjustments |
| Hedged Items | Asset Carrying Amount | |
| Financial assets at FVTOCI | \$ 4,079,274 | \$ 9,642 |

September 30, 2021

| Hedging Instruments | Contract Amount (US\$ in Thousands) | Maturity |
|-------------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------|
| Interest rate futures contracts - US Treasury futures | US\$ 85,200 | December 2021 |
| | | Accumulated Amount of Fair Value Hedge Adjustments |
| Hedged Items | Asset Carrying Amount | |
| Financial assets at FVTOCI | \$ 6,295,906 | \$ (37,769) |

The effect for the nine months ended September 30, 2022 and 2021 is detailed below:

| Hedging Instruments/Hedged Items | Change in Value Used for Calculating Hedge Ineffectiveness Nine Months Ended September 30 | |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------|------------------|
| | 2022 | 2021 |
| Hedging Instruments | | |
| Interest rate futures contracts - US Treasury futures | \$ 276,460 | \$ 140,575 |
| Hedged Items | | |
| Financial assets at FVTOCI | <u>(276,460)</u> | <u>(140,575)</u> |
| | <u>\$ -</u> | <u>\$ -</u> |

Cash flow hedge

The Company entered into forward contracts to partially hedge foreign exchange rate risks or interest rate risks associated with certain highly probable forecast transactions (capital expenditures or issuance of debts). The hedge ratio is adjusted in response to the changes in the financial market and capped at 100%. The forward contracts have maturities of 12 months or less.

On the basis of economic relationships, the Company expects that the value of forward contracts and the value of hedged transactions will change in opposite directions in response to movements in foreign exchange rates or interest rates.

The main source of hedge ineffectiveness in these hedging relationships is driven by the effect of the counterparty's own credit risk on the fair value of forward contracts. No other sources of ineffectiveness emerged from these hedging relationships during the hedging period. For the nine months ended September

30, 2022 and 2021, refer to Note 20(d) for gain or loss arising from changes in the fair value of hedging instruments, the amount transferred to initial carrying amount of hedged items and the amount reclassified to finance costs of hedged items.

The following tables summarize the information relating to the hedges of interest rate risks.

December 31, 2021

| Hedging Instruments | Contract Amount (In Thousands) | Maturity | Balance in Other Equity (Continuing Hedges) |
|---------------------------------|-----------------------------------|--------------|------------------------------------------------------|
| Forward interest rate contracts | US\$ 328,000 | January 2022 | \$ 128,165 |

The effect for the nine months ended September 30, 2022 and 2021 is detailed below:

| Hedging Instruments/Hedged Items | Change in Value Used for Calculating Hedge Ineffectiveness | |
|-----------------------------------------------------|------------------------------------------------------------------|-------------------|
| | <u>Nine Months Ended September 30</u> | |
| | 2022 | 2021 |
| Hedging Instruments | | |
| Forward exchange contracts (capital expenditures) | \$ _____ - | \$ (41,416) |
| Forward interest rate contracts (issuance of debts) | <u>\$ 1,378,928</u> | <u>\$ _____ -</u> |
| Hedged Items | | |
| Forecast transaction (capital expenditures) | \$ _____ - | \$ 41,416 |
| Forecast transaction (issuance of debts) | <u>\$ (1,378,928)</u> | <u>\$ _____ -</u> |

11. NOTES AND ACCOUNTS RECEIVABLE, NET

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|-------------------------------|-----------------------|-----------------------|-----------------------|
| At amortized cost | | | |
| Notes and accounts receivable | \$ 254,776,451 | \$ 193,733,220 | \$ 183,139,013 |
| Less: Loss allowance | <u>(375,054)</u> | <u>(347,020)</u> | <u>(322,950)</u> |
| | 254,401,397 | 193,386,200 | 182,816,063 |
| At FVTOCI | <u>6,045,737</u> | <u>4,199,909</u> | <u>3,493,017</u> |
| | <u>\$ 260,447,134</u> | <u>\$ 197,586,109</u> | <u>\$ 186,309,080</u> |

The Company signed a contract with the bank to sell certain accounts receivable without recourse and transaction cost required. These accounts receivable are classified as at FVTOCI because they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

In principle, the payment term granted to customers is due 30 days from the invoice date or 30 days from the end of the month when the invoice is issued. Aside from recognizing impairment loss for credit-impaired accounts receivable, the Company recognizes loss allowance based on the expected credit loss ratio of customers by different risk levels with consideration of factors of historical loss ratios and customers' financial conditions, competitiveness and business outlook. For accounts receivable past due over 90 days without collaterals or guarantees, the Company recognizes loss allowance at full amount.

Aging analysis of notes and accounts receivable

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|-------------------------|-------------------------------|------------------------------|-------------------------------|
| Not past due | \$ 252,863,359 | \$ 191,740,045 | \$ 183,113,259 |
| Past due | | | |
| Past due within 30 days | 7,958,446 | 6,186,814 | 3,472,387 |
| Past due 31-60 days | 361 | 6,182 | 46,228 |
| Past due 61-120 days | 22 | 88 | 156 |
| Less: Loss allowance | <u>(375,054)</u> | <u>(347,020)</u> | <u>(322,950)</u> |
| | <u>\$ 260,447,134</u> | <u>\$ 197,586,109</u> | <u>\$ 186,309,080</u> |

All of the Company's accounts receivable classified as at FVTOCI were not past due.

Movements of the loss allowance for accounts receivable

| | <u>Nine Months Ended September 30</u> | |
|---------------------------------|----------------------------------------------|-------------------|
| | 2022 | 2021 |
| Balance, beginning of period | \$ 347,020 | \$ 246,626 |
| Provision | 27,935 | 76,332 |
| Effect of exchange rate changes | <u>99</u> | <u>(8)</u> |
| Balance, end of period | <u>\$ 375,054</u> | <u>\$ 322,950</u> |

For the nine months ended September 30, 2022 and 2021, the changes in loss allowance were mainly due to the variations in the balance of accounts receivable of different risk levels.

12. INVENTORIES

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|--------------------------|-------------------------------|------------------------------|-------------------------------|
| Finished goods | \$ 38,572,060 | \$ 32,562,750 | \$ 19,823,464 |
| Work in process | 144,337,075 | 137,700,402 | 139,395,844 |
| Raw materials | 14,998,114 | 11,111,122 | 12,206,876 |
| Supplies and spare parts | <u>20,428,625</u> | <u>11,728,047</u> | <u>10,807,568</u> |
| | <u>\$ 218,335,874</u> | <u>\$ 193,102,321</u> | <u>\$ 182,233,752</u> |

Write-down of inventories to net realizable value and reversal of write-down of inventories resulting from the increase in net realizable value were included in the cost of revenue during reporting period. The amounts are illustrated below:

| | <u>Three Months Ended September 30</u> | | <u>Nine Months Ended September 30</u> | |
|----------------------------------------------------------|---------------------------------------------------|---------------------|--------------------------------------------------|-----------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Inventory losses (reversal of write-down of inventories) | <u>\$ 1,710,080</u> | <u>\$ (578,018)</u> | <u>\$ 2,967,546</u> | <u>\$ (1,524,065)</u> |

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Associates consisted of the following:

| Name of Associate | Principal Activities | Place of Incorporation and Operation | Carrying Amount | | | % of Ownership and Voting Rights Held by the Company | | |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------|----------------------|----------------------|------------------------------------------------------|-------------------|--------------------|
| | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | September 30, 2022 | December 31, 2021 | September 30, 2021 |
| Vanguard International Semiconductor Corporation (VIS) | Manufacturing, sales, packaging, testing and computer-aided design of integrated circuits and other semiconductor devices and the manufacturing and design service of masks | Hsinchu, Taiwan | \$ 12,763,668 | \$ 10,613,127 | \$ 9,623,603 | 28% | 28% | 28% |
| Systems on Silicon Manufacturing Company Pte Ltd. (SSMC) | Manufacturing and sales of integrated circuits and other semiconductor devices | Singapore | 8,845,688 | 6,795,699 | 6,604,176 | 39% | 39% | 39% |
| Xintec Inc. (Xintec) | Wafer level chip size packaging and wafer level post passivation interconnection service | Taoyuan, Taiwan | 3,340,497 | 3,046,961 | 2,860,422 | 41% | 41% | 41% |
| Global Unichip Corporation (GUC) | Researching, developing, manufacturing, testing and marketing of integrated circuits | Hsinchu, Taiwan | 1,693,668 | 1,484,683 | 1,343,198 | 35% | 35% | 35% |
| Mutual-Pak Technology Co., Ltd. (Mutual-Pak) | Manufacturing of electronic parts, wholesaling and retailing of electronic materials, and researching, developing and testing of RFID | New Taipei, Taiwan | <u>19,815</u> | <u>22,948</u> | <u>23,776</u> | 28% | 28% | 28% |
| | | | <u>\$ 26,663,336</u> | <u>\$ 21,963,418</u> | <u>\$ 20,455,175</u> | | | |

The market prices of the associates' ownership held by the Company in publicly traded stocks calculated by the closing price at the end of the reporting period are summarized as follows. The closing price represents the quoted price in active markets, the level 1 fair value measurement.

| Name of Associate | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|-------------------|----------------------|----------------------|----------------------|
| VIS | <u>\$ 30,174,527</u> | <u>\$ 73,347,312</u> | <u>\$ 70,329,859</u> |
| GUC | <u>\$ 27,499,149</u> | <u>\$ 27,359,085</u> | <u>\$ 23,390,617</u> |
| Xintec | <u>\$ 10,683,065</u> | <u>\$ 15,913,315</u> | <u>\$ 14,188,445</u> |

14. PROPERTY, PLANT AND EQUIPMENT

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|------------------------------------|------------------------|------------------------|------------------------|
| Assets used by the Company | \$2,411,465,486 | \$1,975,113,974 | \$1,828,889,640 |
| Assets subject to operating leases | <u>24,765</u> | <u>4,730</u> | <u>4,925</u> |
| | <u>\$2,411,490,251</u> | <u>\$1,975,118,704</u> | <u>\$1,828,894,565</u> |

Assets used by the Company

| | Land and Land Improvements | Buildings | Machinery and Equipment | Office Equipment | Equipment under Installation and Construction in Progress | Total |
|---------------------------------------------------|----------------------------|-----------------------|-------------------------|----------------------|-----------------------------------------------------------|-------------------------|
| <u>Cost</u> | | | | | | |
| Balance at January 1, 2022 | \$ 6,488,230 | \$ 576,597,777 | \$ 3,984,749,236 | \$ 76,154,170 | \$ 593,155,733 | \$ 5,237,145,146 |
| Additions | 702,377 | 44,034,103 | 270,334,176 | 6,208,437 | 426,656,999 | 747,936,092 |
| Disposals or retirements | - | (83,302) | (17,020,612) | (890,753) | - | (17,994,667) |
| Transfers to assets subject to operating leases | - | - | (65,779) | - | - | (65,779) |
| Effect of exchange rate changes | 445,035 | 2,002,705 | 9,896,845 | 366,624 | 8,982,282 | 21,693,491 |
| Balance at September 30, 2022 | <u>\$ 7,635,642</u> | <u>\$ 622,551,283</u> | <u>\$ 4,247,893,866</u> | <u>\$ 81,838,478</u> | <u>\$ 1,028,795,014</u> | <u>\$ 5,988,714,283</u> |
| <u>Accumulated depreciation and impairment</u> | | | | | | |
| Balance at January 1, 2022 | \$ 499,826 | \$ 306,165,242 | \$ 2,903,539,441 | \$ 51,826,663 | \$ - | \$ 3,262,031,172 |
| Additions | 1,042 | 26,567,909 | 287,390,332 | 6,921,986 | - | 320,881,269 |
| Disposals or retirements | - | (72,173) | (16,176,281) | (890,323) | - | (17,138,777) |
| Transfers to assets subject to operating leases | - | - | (40,266) | - | - | (40,266) |
| Impairment | - | - | - | - | 790,740 | 790,740 |
| Effect of exchange rate changes | 73,997 | 1,514,039 | 8,843,768 | 292,855 | - | 10,724,659 |
| Balance at September 30, 2022 | <u>\$ 574,865</u> | <u>\$ 334,175,017</u> | <u>\$ 3,183,556,994</u> | <u>\$ 58,151,181</u> | <u>\$ 790,740</u> | <u>\$ 3,577,248,797</u> |
| Carrying amounts at January 1, 2022 | <u>\$ 5,988,404</u> | <u>\$ 270,432,535</u> | <u>\$ 1,081,209,795</u> | <u>\$ 24,327,507</u> | <u>\$ 593,155,733</u> | <u>\$ 1,975,113,974</u> |
| Carrying amounts at September 30, 2022 | <u>\$ 7,060,777</u> | <u>\$ 288,376,266</u> | <u>\$ 1,064,336,872</u> | <u>\$ 23,687,297</u> | <u>\$ 1,028,004,274</u> | <u>\$ 2,411,465,486</u> |
| <u>Cost</u> | | | | | | |
| Balance at January 1, 2021 | \$ 3,942,625 | \$ 522,447,474 | \$ 3,607,005,732 | \$ 68,862,648 | \$ 223,965,360 | \$ 4,426,223,839 |
| Additions | 2,587,183 | 46,613,697 | 318,204,846 | 5,597,208 | 204,674,844 | 577,677,778 |
| Disposals or retirements | - | (31,702) | (11,832,893) | (145,438) | - | (12,010,033) |
| Transfers from assets subject to operating leases | - | 35,478 | 1,443,590 | - | - | 1,479,068 |
| Transfers to assets subject to operating leases | - | - | (244,579) | - | - | (244,579) |
| Effect of exchange rate changes | (19,085) | 44,863 | 614,474 | (17,070) | (192,162) | 431,020 |
| Balance at September 30, 2021 | <u>\$ 6,510,723</u> | <u>\$ 569,109,810</u> | <u>\$ 3,915,191,170</u> | <u>\$ 74,297,348</u> | <u>\$ 428,448,042</u> | <u>\$ 4,993,557,093</u> |
| <u>Accumulated depreciation and impairment</u> | | | | | | |
| Balance at January 1, 2021 | \$ 506,129 | \$ 271,799,471 | \$ 2,555,529,969 | \$ 43,802,332 | \$ - | \$ 2,871,637,901 |
| Additions | 998 | 25,530,181 | 271,954,105 | 6,091,281 | - | 303,576,565 |
| Disposals or retirements | - | (27,770) | (11,458,210) | (144,616) | - | (11,630,596) |
| Transfers from assets subject to operating leases | - | 15,066 | 436,816 | - | - | 451,882 |
| Transfers to assets subject to operating leases | - | - | (68,279) | - | - | (68,279) |
| Impairment | - | - | 274,388 | - | - | 274,388 |
| Effect of exchange rate changes | (4,201) | (2,726) | 447,113 | (14,594) | - | 425,592 |
| Balance at September 30, 2021 | <u>\$ 502,926</u> | <u>\$ 297,314,222</u> | <u>\$ 2,817,115,902</u> | <u>\$ 49,734,403</u> | <u>\$ -</u> | <u>\$ 3,164,667,453</u> |
| Carrying amounts at January 1, 2021 | <u>\$ 3,436,496</u> | <u>\$ 250,648,003</u> | <u>\$ 1,051,475,763</u> | <u>\$ 25,060,316</u> | <u>\$ 223,965,360</u> | <u>\$ 1,554,585,938</u> |
| Carrying amounts at September 30, 2021 | <u>\$ 6,007,797</u> | <u>\$ 271,795,588</u> | <u>\$ 1,098,075,268</u> | <u>\$ 24,562,945</u> | <u>\$ 428,448,042</u> | <u>\$ 1,828,889,640</u> |

The significant part of the Company's buildings includes main plants, mechanical and electrical power equipment and clean rooms, and the related depreciation is calculated using the estimated useful lives of 20 years, 10 years and 10 years, respectively.

In the first quarter of 2022 and 2021, the Company recognized an impairment loss of NT\$790,740 thousand and NT\$274,388 thousand for certain equipment under machinery and equipment that were

assessed to have no future use, and the recoverable amounts of the aforementioned assets were nil. Such impairment loss was recognized in other operating income and expenses.

Information about capitalized interest is set out in Note 23.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

| | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
|-------------------------------------|--------------------------------------------|-------------------------------------------|-------------------------------------------|---------------------|
| <u>Carrying amounts</u> | | | | |
| Land | \$ 39,025,511 | \$ 29,778,636 | \$ 30,082,601 | |
| Buildings | 3,290,126 | 2,918,133 | 2,843,518 | |
| Machinery and equipment | 3,298 | 3,474 | 3,701 | |
| Office equipment | <u>30,808</u> | <u>34,294</u> | <u>31,277</u> | |
| | <u>\$ 42,349,743</u> | <u>\$ 32,734,537</u> | <u>\$ 32,961,097</u> | |
| | | Nine Months Ended September 30 | | |
| | | 2022 | 2021 | |
| Additions to right-of-use assets | | <u>\$ 12,187,065</u> | <u>\$ 7,246,575</u> | |
| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
| | 2022 | 2021 | 2022 | 2021 |
| Depreciation of right-of-use assets | | | | |
| Land | \$ 571,074 | \$ 461,356 | \$ 1,519,635 | \$ 1,360,772 |
| Buildings | 247,566 | 186,874 | 697,566 | 497,503 |
| Machinery and equipment | 219 | 202 | 635 | 337 |
| Office equipment | <u>5,929</u> | <u>5,371</u> | <u>17,636</u> | <u>16,249</u> |
| | <u>\$ 824,788</u> | <u>\$ 653,803</u> | <u>\$ 2,235,472</u> | <u>\$ 1,874,861</u> |

b. Lease liabilities

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|-----------------------------------------------------------------------------------|-------------------------------|------------------------------|-------------------------------|
| <u>Carrying amounts</u> | | | |
| Current portion (classified under accrued expenses and other current liabilities) | \$ 2,564,228 | \$ 2,176,451 | \$ 2,075,629 |
| Noncurrent portion | <u>30,182,353</u> | <u>20,764,214</u> | <u>21,052,983</u> |
| | <u>\$ 32,746,581</u> | <u>\$ 22,940,665</u> | <u>\$ 23,128,612</u> |

Ranges of discount rates for lease liabilities are as follows:

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|-------------------------|-------------------------------|------------------------------|-------------------------------|
| Land | 0.39%-1.89% | 0.39%-2.14% | 0.39%-2.14% |
| Buildings | 0.39%-3.88% | 0.39%-3.88% | 0.39%-3.88% |
| Machinery and equipment | 0.71% | 0.71% | 0.71% |
| Office equipment | 0.28%-3.88% | 0.28%-3.88% | 0.28%-3.88% |

c. Material terms of right-of-use assets

The Company leases land and buildings mainly for the use of plants and offices with lease terms of 1 to 36 years. The lease contracts for land located in the R.O.C. specify that lease payments will be adjusted every 2 years on the basis of changes in announced land value prices. The Company does not have purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|----------------------------------------|--------------------------------------------|---------------------|-------------------------------------------|---------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Expenses relating to short-term leases | <u>\$ 1,181,261</u> | <u>\$ 1,295,891</u> | <u>\$ 3,499,639</u> | <u>\$ 3,884,773</u> |
| | | | Nine Months Ended September 30 | |
| | | | 2022 | 2021 |
| Total cash outflow for leases | | | <u>\$ 5,421,545</u> | <u>\$ 5,495,274</u> |

16. INTANGIBLE ASSETS

| | Goodwill | Technology License Fees | Software and System Design Costs | Patent and Others | Total |
|------------------------------------------------|---------------------|------------------------------------|-------------------------------------------------|------------------------------|----------------------|
| <u>Cost</u> | | | | | |
| Balance at January 1, 2022 | \$ 5,379,164 | \$ 23,533,959 | \$ 43,650,957 | \$ 11,497,309 | \$ 84,061,389 |
| Additions | - | 2,257,739 | 3,431,703 | 185,092 | 5,874,534 |
| Disposals or retirements | - | - | (55,727) | - | (55,727) |
| Effect of exchange rate changes | <u>555,641</u> | <u>3,329</u> | <u>18,700</u> | <u>2,723</u> | <u>580,393</u> |
| Balance at September 30, 2022 | <u>\$ 5,934,805</u> | <u>\$ 25,795,027</u> | <u>\$ 47,045,633</u> | <u>\$ 11,685,124</u> | <u>\$ 90,460,589</u> |
| <u>Accumulated amortization and impairment</u> | | | | | |
| Balance at January 1, 2022 | \$ - | \$ 14,912,293 | \$ 34,121,578 | \$ 8,205,821 | \$ 57,239,692 |
| Additions | - | 2,076,582 | 3,583,345 | 890,230 | 6,550,157 |
| Disposals or retirements | - | - | (55,727) | - | (55,727) |
| Effect of exchange rate changes | <u>-</u> | <u>3,329</u> | <u>15,282</u> | <u>1,304</u> | <u>19,915</u> |
| Balance at September 30, 2022 | <u>\$ -</u> | <u>\$ 16,992,204</u> | <u>\$ 37,664,478</u> | <u>\$ 9,097,355</u> | <u>\$ 63,754,037</u> |
| Carrying amounts at January 1, 2022 | <u>\$ 5,379,164</u> | <u>\$ 8,621,666</u> | <u>\$ 9,529,379</u> | <u>\$ 3,291,488</u> | <u>\$ 26,821,697</u> |
| Carrying amounts at September 30, 2022 | <u>\$ 5,934,805</u> | <u>\$ 8,802,823</u> | <u>\$ 9,381,155</u> | <u>\$ 2,587,769</u> | <u>\$ 26,706,552</u> |

(Continued)

| | Goodwill | Technology License Fees | Software and System Design Costs | Patent and Others | Total |
|------------------------------------------------|---------------------|-------------------------|----------------------------------|----------------------|----------------------|
| <u>Cost</u> | | | | | |
| Balance at January 1, 2021 | \$ 5,436,602 | \$ 22,161,712 | \$ 36,238,967 | \$ 11,277,701 | \$ 75,114,982 |
| Additions | - | 1,350,950 | 4,599,668 | 90,702 | 6,041,320 |
| Disposals or retirements | - | - | (21,134) | - | (21,134) |
| Effect of exchange rate changes | <u>(31,638)</u> | <u>(326)</u> | <u>1,420</u> | <u>140</u> | <u>(30,404)</u> |
| Balance at September 30, 2021 | <u>\$ 5,404,964</u> | <u>\$ 23,512,336</u> | <u>\$ 40,818,921</u> | <u>\$ 11,368,543</u> | <u>\$ 81,104,764</u> |
| <u>Accumulated amortization and impairment</u> | | | | | |
| Balance at January 1, 2021 | \$ - | \$ 12,226,066 | \$ 30,111,759 | \$ 7,008,978 | \$ 49,346,803 |
| Additions | - | 2,004,389 | 3,226,688 | 902,365 | 6,133,442 |
| Disposals or retirements | - | - | (19,906) | - | (19,906) |
| Effect of exchange rate changes | - | <u>(326)</u> | <u>733</u> | <u>104</u> | <u>511</u> |
| Balance at September 30, 2021 | <u>\$ -</u> | <u>\$ 14,230,129</u> | <u>\$ 33,319,274</u> | <u>\$ 7,911,447</u> | <u>\$ 55,460,850</u> |
| Carrying amounts at January 1, 2021 | <u>\$ 5,436,602</u> | <u>\$ 9,935,646</u> | <u>\$ 6,127,208</u> | <u>\$ 4,268,723</u> | <u>\$ 25,768,179</u> |
| Carrying amounts at September 30, 2021 | <u>\$ 5,404,964</u> | <u>\$ 9,282,207</u> | <u>\$ 7,499,647</u> | <u>\$ 3,457,096</u> | <u>\$ 25,643,914</u> |

(Concluded)

The Company's goodwill has been tested for impairment at the end of the annual reporting period and the recoverable amount is determined based on the value in use. The value in use was calculated based on the cash flow forecast from the financial budgets covering the future five-year period, and the Company used annual discount rate of 8.0% in its test of impairment as of December 31, 2021 to reflect the relevant specific risk in the cash-generating unit.

17. SHORT-TERM LOANS

| | December 31, 2021 | September 30, 2021 |
|----------------------|-----------------------|-----------------------|
| Unsecured loans | | |
| Amount | <u>\$ 114,921,333</u> | <u>\$ 118,844,065</u> |
| Loan content | | |
| EUR (in thousands) | \$ 3,652,935 | \$ 3,496,802 |
| JPY (in thousands) | - | 21,500,000 |
| Annual interest rate | (0.73)%-0% | (0.25)%-0.15% |
| Maturity date | Due by June 2022 | Due by March 2022 |

18. BONDS PAYABLE

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|----------------------------------|-----------------------|-----------------------|-----------------------|
| Domestic unsecured bonds | \$ 375,832,000 | \$ 312,448,000 | \$ 279,828,000 |
| Overseas unsecured bonds | 492,373,000 | 304,414,000 | 181,116,000 |
| Less: Discounts on bonds payable | (3,318,529) | (2,391,348) | (1,210,552) |
| Less: Current portion | <u>(22,500,000)</u> | <u>(4,400,000)</u> | <u>-</u> |
| | <u>\$ 842,386,471</u> | <u>\$ 610,070,652</u> | <u>\$ 459,733,448</u> |

The Company issued domestic unsecured bonds for the nine months ended September 30, 2022, the major terms are as follows:

| Issuance | Tranche | Issuance Period | Total Amount | Coupon Rate | Repayment and Interest Payment |
|-----------------------------|----------------|------------------------------|---------------------|--------------------|---------------------------------------------|
| <u>NT\$ unsecured bonds</u> | | | | | |
| 111-1 (Green bond) | A | January 2022 to January 2027 | \$ 2,100,000 | 0.63% | Bullet repayment; interest payable annually |
| | B | January 2022 to January 2029 | 3,300,000 | 0.72% | The same as above |
| 111-2 | A | March 2022 to September 2026 | 3,000,000 | 0.84% | The same as above |
| | B | March 2022 to March 2027 | 9,600,000 | 0.85% | The same as above |
| | C | March 2022 to March 2029 | 1,600,000 | 0.90% | The same as above |
| 111-3 (Green bond) | | May 2022 to May 2027 | 6,100,000 | 1.50% | The same as above |
| 111-4 (Green bond) | A | July 2022 to July 2026 | 1,200,000 | 1.60% | The same as above |
| | B | July 2022 to July 2027 | 10,100,000 | 1.70% | The same as above |
| | C | July 2022 to July 2029 | 1,200,000 | 1.75% | The same as above |
| | D | July 2022 to July 2032 | 1,400,000 | 1.95% | The same as above |
| 111-5 | A | August 2022 to June 2027 | 2,000,000 | 1.65% | The same as above |
| | B | August 2022 to August 2027 | 8,900,000 | 1.65% | The same as above |
| | C | August 2022 to August 2029 | 2,200,000 | 1.65% | The same as above |
| | D | August 2022 to August 2032 | 2,500,000 | 1.82% | The same as above |

The major terms of overseas unsecured bonds are as follows:

| Issuance Period | Total Amount (US\$ in Thousands) | | Coupon Rate | Repayment and Interest Payment |
|----------------------------------|-----------------------------------------|-----------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| September 2020 to September 2025 | US\$ | 1,000,000 | 0.75% | Bullet repayment (callable at any time, in whole or in part, at the relevant redemption price according to relevant agreements); interest payable semi-annually |
| September 2020 to September 2027 | | 750,000 | 1.00% | The same as above |

(Continued)

| Issuance Period | Total Amount (US\$ in Thousands) | | Coupon Rate | Repayment and Interest Payment |
|----------------------------------|---------------------------------------------|-----------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| September 2020 to September 2030 | US\$ | 1,250,000 | 1.375% | Bullet repayment (callable at any time, in whole or in part, at the relevant redemption price according to relevant agreements); interest payable semi-annually |
| April 2021 to April 2026 | | 1,100,000 | 1.25% | The same as above |
| April 2021 to April 2028 | | 900,000 | 1.75% | The same as above |
| April 2021 to April 2031 | | 1,500,000 | 2.25% | The same as above |
| October 2021 to October 2026 | | 1,250,000 | 1.75% | The same as above |
| October 2021 to October 2031 | | 1,250,000 | 2.50% | The same as above |
| October 2021 to October 2041 | | 1,000,000 | 3.125% | The same as above |
| October 2021 to October 2051 | | 1,000,000 | 3.25% | The same as above |
| April 2022 to April 2027 | | 1,000,000 | 3.875% | The same as above |
| April 2022 to April 2029 | | 500,000 | 4.125% | The same as above |
| April 2022 to April 2032 | | 1,000,000 | 4.25% | The same as above |
| April 2022 to April 2052 | | 1,000,000 | 4.50% | The same as above |
| July 2022 to July 2027 | | 400,000 | 4.375% | The same as above |
| July 2022 to July 2032 | | 600,000 | 4.625% | The same as above |

(Concluded)

The company issued domestic unsecured bonds during the period from October 1, 2022 to November 8, 2022, the major terms are as follows:

| Issuance | Tranche | Issuance Period | Total Amount | Coupon Rate | Repayment and Interest Payment |
|-----------------------------|----------------|---------------------------------|---------------------|--------------------|---------------------------------------------------|
| <u>NT\$ unsecured bonds</u> | | | | | |
| 111-6 (Green bond) | A | October 2022 to October 2027 | \$ 5,700,000 | 1.75% | Bullet repayment; interest payable annually |
| | B | October 2022 to October 2029 | 1,000,000 | 1.80% | The same as above |
| | C | October 2022 to October 2032 | 3,500,000 | 2.00% | The same as above |

19. LONG-TERM BANK LOANS

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|--------------------------------------|-----------------------|--------------------------|--------------------------|
| Unsecured loans | \$ 4,010,000 | \$ 3,510,000 | \$ 3,510,000 |
| Less: Discounts on government grants | (28,155) | (34,202) | (37,810) |
| Less: Current portion | <u>(926,667)</u> | <u>(166,667)</u> | <u>-</u> |
| | <u>\$ 3,055,178</u> | <u>\$ 3,309,131</u> | <u>\$ 3,472,190</u> |
| Loan content | | | |
| Annual interest rate | 0.40%-1.10% | 0.40%-0.90% | 0.40%-0.90% |
| Maturity date | Due by May 2027 | Due by September 2026 | Due by September 2026 |

The long-term bank loans of the Company are with preferential interest rates subsidized by the government, and the loans are used to fund capital expenditure qualifying for the subsidy.

20. EQUITY

a. Capital stock

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|---------------------------------------|-----------------------|-----------------------|-----------------------|
| Authorized shares (in thousands) | <u>28,050,000</u> | <u>28,050,000</u> | <u>28,050,000</u> |
| Authorized capital | <u>\$ 280,500,000</u> | <u>\$ 280,500,000</u> | <u>\$ 280,500,000</u> |
| Issued and paid shares (in thousands) | <u>25,930,380</u> | <u>25,930,380</u> | <u>25,930,380</u> |
| Issued capital | <u>\$ 259,303,805</u> | <u>\$ 259,303,805</u> | <u>\$ 259,303,805</u> |

A holder of issued common shares with par value of NT\$10 per share is entitled to vote and to receive dividends.

The authorized shares include 500,000 thousand shares allocated for the exercise of employee stock options.

On March 1, 2022, the Company issued employee restricted stocks awards (RSAs) for its employees in a total of 1,387 thousand shares with a par value of NT\$10 each. The aforementioned issuance of new shares was approved by the relevant authority and the registration has been completed. Refer to Note 27 for the information on RSAs.

On May 10, 2022, TSMC's Board of Directors resolved to cancel 1,387 thousand treasury shares. Refer to Note 20(e) for the information.

As of the end of reporting period, 1,063,995 thousand ADSs of TSMC were traded on the NYSE. The number of common shares represented by the ADSs was 5,319,976 thousand shares (one ADS represents five common shares).

b. Capital surplus

The categories of uses and the sources of capital surplus based on regulations were as follows:

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|-----------------------|
| <u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u> | | | |
| Additional paid-in capital | \$ 24,183,645 | \$ 24,184,939 | \$ 24,184,939 |
| From merger | 22,803,291 | 22,804,510 | 22,804,510 |
| From convertible bonds | 8,892,371 | 8,892,847 | 8,892,847 |
| From difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual disposal | 8,406,282 | 8,406,282 | 8,406,282 |
| Donations – donated by shareholders | 11,275 | 11,275 | 11,275 |
| <u>May only be used to offset a deficit</u> | | | |
| From share of changes in equities of subsidiaries | 4,231,119 | 113,952 | 114,865 |
| From share of changes in equities of associates | 309,904 | 307,322 | 302,843 |
| Donations – unclaimed dividend | 40,475 | 40,475 | 29,303 |
| <u>May not be used for any purpose</u> | | | |
| Employee restricted shares | <u>438,029</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 69,316,391</u> | <u>\$ 64,761,602</u> | <u>\$ 64,746,864</u> |

If such capital surplus is distributed as transferred to share capital, it is limited to a certain percentage of the Company's capital surplus and to once a year.

c. Retained earnings and dividend policy

TSMC's Articles of Incorporation provide that, earnings distribution may be made on a quarterly basis after the close of each quarter. Distribution of earnings by way of cash dividends should be approved by TSMC's Board of Directors and reported to TSMC's shareholders in its meeting. When allocating earnings, TSMC shall first estimate and reserve the taxes to be paid, offset its losses, set aside a legal capital reserve at 10% of the remaining earnings (until the accumulated legal capital reserve equals TSMC's paid-in capital), then set aside a special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. Any balance left over shall be allocated according to relevant laws and the TSMC's Articles of Incorporation.

TSMC's Articles of Incorporation also provide that profits of TSMC may be distributed by way of cash dividend and/or stock dividend. However, distribution of earnings shall be made preferably by way of cash dividend. Distribution of earnings may also be made by way of stock dividend, provided that the ratio for stock dividend shall not exceed 50% of the total distribution.

The legal capital reserve may be used to offset a deficit, or be distributed as dividends in cash or stocks for the portion in excess of 25% of the paid-in capital if the Company incurs no loss.

Pursuant to existing regulations, the Company is required to set aside additional special capital reserve equivalent to the net debit balance of the other components of stockholders' equity, such as the accumulated balance of foreign currency translation reserve, unrealized valuation gain or loss from fair value through other comprehensive income financial assets, gain or loss from changes in fair value of hedging instruments in cash flow hedges, etc. For the subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

The appropriations of 2022, 2021 and 2020 quarterly earnings have been approved by TSMC's Board of Directors in its meeting, respectively. The appropriations and cash dividends per share were as follows:

| Resolution Date of TSMC's Board of Directors in its meeting | Third Quarter of 2022 November 8, 2022 | Second Quarter of 2022 August 9, 2022 | First Quarter of 2022 May 10, 2022 | |
|--------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------|
| Special capital reserve | \$ (31,910,353) | \$ (12,002,798) | \$ (15,541,054) | |
| Cash dividends to shareholders | \$ 71,308,547 | \$ 71,308,546 | \$ 71,308,546 | |
| Cash dividends per share (NT\$) | \$ 2.75 | \$ 2.75 | \$ 2.75 | |
| Resolution Date of TSMC's Board of Directors in its meeting | Fourth Quarter of 2021 February 15, 2022 | Third Quarter of 2021 November 9, 2021 | Second Quarter of 2021 August 10, 2021 | First Quarter of 2021 June 9, 2021 |
| Special capital reserve | \$ 3,304,303 | \$ 710,169 | \$ 10,201,220 | \$ (6,287,050) |
| Cash dividends to shareholders | \$ 71,308,546 | \$ 71,308,547 | \$ 71,308,546 | \$ 71,308,546 |
| Cash dividends per share (NT\$) | \$ 2.75 | \$ 2.75 | \$ 2.75 | \$ 2.75 |
| Resolution Date of TSMC's Board of Directors in its meeting | Fourth Quarter of 2020 February 9, 2021 | Third Quarter of 2020 November 10, 2020 | Second Quarter of 2020 August 11, 2020 | First Quarter of 2020 May 12, 2020 |
| Special capital reserve | \$ 12,420,727 | \$ 5,501,351 | \$ 11,884,457 | \$ (2,694,841) |
| Cash dividends to shareholders | \$ 64,825,951 | \$ 64,825,951 | \$ 64,825,951 | \$ 64,825,951 |
| Cash dividends per share (NT\$) | \$ 2.5 | \$ 2.5 | \$ 2.5 | \$ 2.5 |

d. Others

Changes in others were as follows:

| | Nine Months Ended September 30, 2022 | | | | |
|----------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|-------------------------------------------|---------------------------------------------------|-----------------|
| | Foreign Currency Translation Reserve | Unrealized Gain (Loss) on Financial Assets at FVTOCI | Gain (Loss) on Hedging Instruments | Unearned Stock-Based Employee Compensation | Total |
| Balance, beginning of period | \$ (63,303,361) | \$ 574,310 | \$ 120,536 | \$ - | \$ (62,608,515) |
| Exchange differences arising on translation of foreign operations | 68,767,824 | - | - | - | 68,767,824 |
| Unrealized gain (loss) on financial assets at FVTOCI | | | | | |
| Equity instruments | - | 69,040 | - | - | 69,040 |
| Debt instruments | - | (11,609,864) | - | - | (11,609,864) |
| Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal | - | (98,209) | - | - | (98,209) |
| Cumulative unrealized gain (loss) of debt instruments transferred to profit or loss due to disposal | - | 346,125 | - | - | 346,125 |

(Continued)

| Nine Months Ended September 30, 2022 | | | | | |
|-------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------|--------------------------------------|
| | Foreign Currency Translation Reserve | Unrealized Gain (Loss) on Financial Assets at FVTOCI | Gain (Loss) on Hedging Instruments | Unearned Stock-Based Employee Compensation | Total |
| Loss allowance adjustments from debt instruments | \$ - | \$ 553 | \$ - | \$ - | \$ 553 |
| Gain (loss) arising on changes in the fair value of hedging instruments | - | - | 1,347,573 | - | 1,347,573 |
| Transferred to initial carrying amount of hedged items | - | - | (43,027) | - | (43,027) |
| Issuance of shares | - | - | - | (451,899) | (451,899) |
| Share-based payment expenses recognized | - | - | - | 186,722 | 186,722 |
| Share of other comprehensive income (loss) of associates | 591,374 | (13,234) | 89,752 | - | 667,892 |
| Income tax effect | - | 262 | 6,036 | - | 6,298 |
| Balance, end of period | <u>\$ 6,055,837</u> | <u>\$ (10,731,017)</u> | <u>\$ 1,520,870</u> | <u>\$ (265,177)</u> | <u>\$ (3,419,487)</u> (Concluded) |

| Nine Months Ended September 30, 2021 | | | | | |
|----------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------|------------------------|
| | Foreign Currency Translation Reserve | Unrealized Gain (Loss) on Financial Assets at FVTOCI | Gain (Loss) on Hedging Instruments | Unearned Stock-Based Employee Compensation | Total |
| Balance, beginning of period | \$ (57,001,627) | \$ 2,321,754 | \$ - | \$ - | \$ (54,679,873) |
| Exchange differences arising on translation of foreign operations | (3,636,881) | - | - | - | (3,636,881) |
| Unrealized gain (loss) on financial assets at FVTOCI | | | | | |
| Equity instruments | - | 1,080,237 | - | - | 1,080,237 |
| Debt instruments | - | (2,027,175) | - | - | (2,027,175) |
| Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal | - | 277,155 | - | - | 277,155 |
| Cumulative unrealized gain (loss) of debt instruments transferred to profit or loss due to disposal | - | (183,349) | - | - | (183,349) |
| Loss allowance adjustments from debt instruments | - | 561 | - | - | 561 |
| Gain (loss) arising on changes in the fair value of hedging instruments | - | - | (41,416) | - | (41,416) |
| Transferred to initial carrying amount of hedged items | - | - | 41,416 | - | 41,416 |
| Share of other comprehensive income (loss) of associates | (100,543) | 24,838 | (3,106) | - | (78,811) |
| Income tax effect | - | (56,076) | - | - | (56,076) |
| Balance, end of period | <u>\$ (60,739,051)</u> | <u>\$ 1,437,945</u> | <u>\$ (3,106)</u> | <u>\$ -</u> | <u>\$ (59,304,212)</u> |

The aforementioned other equity includes the changes in other equities of TSMC and TSMC's share of its subsidiaries and associates.

e. Treasury stock

For TSMC's shareholders' interests, TSMC's Board of Directors approved a share buyback program on February 15, 2022 to repurchase 1,387 thousand shares. TSMC has completed this share buyback program during the first quarter of 2022. On May 10, 2022, TSMC's Board of Directors resolved to cancel the 1,387 thousand shares and set May 10, 2022 as the record date for capital reduction. The registration for share cancellation was completed on May 20, 2022.

21. NET REVENUE

a. Disaggregation of revenue from contracts with customers

| Product | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---------|------------------------------------|-----------------------|-----------------------------------|------------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Wafer | \$ 540,209,881 | \$ 366,007,932 | \$1,454,627,869 | \$1,020,485,888 |
| Others | <u>72,932,862</u> | <u>48,662,447</u> | <u>183,731,555</u> | <u>128,739,843</u> |
| | <u>\$ 613,142,743</u> | <u>\$ 414,670,379</u> | <u>\$1,638,359,424</u> | <u>\$1,149,225,731</u> |

| Geography | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---------------------------------------|------------------------------------|-----------------------|-----------------------------------|------------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Taiwan | \$ 51,983,021 | \$ 35,358,868 | \$ 173,512,993 | \$ 134,839,517 |
| United States | 432,369,098 | 279,297,136 | 1,072,532,079 | 735,474,816 |
| China | 48,832,450 | 51,893,832 | 171,635,229 | 130,133,265 |
| Europe, the Middle East and Africa | 31,192,872 | 21,956,800 | 87,590,071 | 66,979,067 |
| Japan | 29,592,683 | 18,218,572 | 81,396,101 | 52,599,321 |
| Others | <u>19,172,619</u> | <u>7,945,171</u> | <u>51,692,951</u> | <u>29,199,745</u> |
| | <u>\$ 613,142,743</u> | <u>\$ 414,670,379</u> | <u>\$1,638,359,424</u> | <u>\$1,149,225,731</u> |

The Company categorized the net revenue mainly based on the countries where the customers are headquartered.

| Platform | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|------------------------------|------------------------------------|-----------------------|-----------------------------------|------------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Smartphone | \$ 251,069,572 | \$ 180,649,835 | \$ 648,625,225 | \$ 501,602,527 |
| High Performance Computing | 238,237,286 | 155,629,734 | 669,423,118 | 426,864,135 |
| Internet of Things | 59,410,567 | 36,282,241 | 143,104,893 | 95,796,759 |
| Automotive | 31,203,686 | 17,186,114 | 81,976,301 | 48,187,568 |
| Digital Consumer Electronics | 14,900,562 | 13,204,541 | 44,625,094 | 42,159,242 |
| Others | <u>18,321,070</u> | <u>11,717,914</u> | <u>50,604,793</u> | <u>34,615,500</u> |
| | <u>\$ 613,142,743</u> | <u>\$ 414,670,379</u> | <u>\$1,638,359,424</u> | <u>\$1,149,225,731</u> |

| Resolution | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|-----------------------|------------------------------------|-----------------------|-----------------------------------|------------------------|
| | 2022 | 2021 | 2022 | 2021 |
| 5-nanometer | \$ 148,812,933 | \$ 66,930,524 | \$ 335,834,446 | \$ 173,733,470 |
| 7-nanometer | 142,152,179 | 122,606,053 | 417,396,526 | 334,954,675 |
| 10-nanometer | 4,480 | 14,701 | 17,837 | 643,187 |
| 16-nanometer | 66,299,632 | 48,812,969 | 191,645,300 | 139,462,708 |
| 20-nanometer | 2,124,614 | 1,203,472 | 6,409,003 | 3,734,272 |
| 28-nanometer | 52,861,617 | 37,739,348 | 149,841,720 | 111,922,338 |
| 40/45-nanometer | 37,855,129 | 27,233,876 | 108,326,372 | 74,029,676 |
| 65-nanometer | 25,338,814 | 16,189,697 | 69,063,607 | 48,148,098 |
| 90-nanometer | 11,311,235 | 6,998,277 | 31,089,564 | 24,753,997 |
| 0.11/0.13 micron | 16,732,222 | 10,382,373 | 42,810,676 | 28,387,457 |
| 0.15/0.18 micron | 29,754,752 | 22,268,008 | 82,486,441 | 63,875,473 |
| 0.25 micron and above | <u>6,962,274</u> | <u>5,628,634</u> | <u>19,706,377</u> | <u>16,840,537</u> |
| Wafer revenue | <u>\$ 540,209,881</u> | <u>\$ 366,007,932</u> | <u>\$1,454,627,869</u> | <u>\$1,020,485,888</u> |

b. Contract balances

| | September 30, 2022 | December 31, 2021 | September 30, 2021 | January 1, 2021 |
|----------------------------------------------------------------------------------------|-------------------------------|------------------------------|-------------------------------|----------------------------|
| Contract liabilities (classified under accrued expenses and other current liabilities) | <u>\$ 56,941,335</u> | <u>\$ 39,762,588</u> | <u>\$ 33,659,796</u> | <u>\$ 13,775,088</u> |

The changes in the contract liability balances primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment.

The Company recognized revenue from the beginning balance of contract liability, which amounted to NT\$1,502,974 thousand and NT\$492,255 thousand for the three months ended September 30, 2022 and 2021, respectively; and NT\$37,198,089 thousand and NT\$11,296,660 thousand for the nine months ended September 30, 2022 and 2021, respectively.

c. Temporary receipts from customers

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|-----------------------------------------------------------------------------------|-------------------------------|------------------------------|-------------------------------|
| Current portion (classified under accrued expenses and other current liabilities) | \$ 97,843,204 | \$ 30,612,702 | \$ 16,200,130 |
| Noncurrent portion (classified under other noncurrent liabilities) | <u>190,225,981</u> | <u>155,381,485</u> | <u>90,128,894</u> |
| | <u>\$ 288,069,185</u> | <u>\$ 185,994,187</u> | <u>\$ 106,329,024</u> |

The Company's temporary receipts from customer are payments made by customers to the Company to retain the Company's capacity. When the terms and conditions set forth in the agreements are subsequently satisfied, the treatment of temporary receipts, either by refund or by accounts receivable offsetting, will be determined by mutual consent.

22. INTEREST INCOME

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|------------------------------------|--------------------------------------------|---------------------|-------------------------------------------|---------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Interest income | | | | |
| Bank deposits | \$ 5,294,717 | \$ 686,841 | \$ 8,960,401 | \$ 2,026,308 |
| Financial assets at FVTOCI | 670,317 | 509,785 | 1,812,928 | 1,685,252 |
| Financial assets at amortized cost | <u>650,010</u> | <u>159,918</u> | <u>1,061,539</u> | <u>534,569</u> |
| | <u>\$ 6,615,044</u> | <u>\$ 1,356,544</u> | <u>\$ 11,834,868</u> | <u>\$ 4,246,129</u> |

23. FINANCE COSTS

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|-------------------------------------------------------------------|------------------------------------|---------------------|-----------------------------------|---------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Interest expense | | | | |
| Corporate bonds | \$ 4,051,243 | \$ 1,282,154 | \$ 9,781,682 | \$ 3,080,458 |
| Lease liabilities | 85,705 | 47,895 | 183,008 | 144,822 |
| Bank loans | 6,882 | 3,924 | 21,527 | 15,017 |
| Others | 328 | 90 | 503 | 260 |
| Less: Capitalized interest under property, plant and equipment | <u>(774,140)</u> | <u>-</u> | <u>(1,571,705)</u> | <u>-</u> |
| | <u>\$ 3,370,018</u> | <u>\$ 1,334,063</u> | <u>\$ 8,415,015</u> | <u>\$ 3,240,557</u> |

Information about capitalized interest is as follows:

| | Three Months Ended September 30, 2022 | Nine Months Ended September 30, 2022 |
|---------------------|---------------------------------------------|--------------------------------------------|
| Capitalization rate | 0.84%-3.36% | 0.56%-3.36% |

24. OTHER GAINS AND LOSSES, NET

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|-----------------------------------------------------------------------|------------------------------------|-----------------------|-----------------------------------|-----------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Gain (loss) on disposal of financial assets, net | | | | |
| Investments in debt instruments at FVTOCI | \$ (100,974) | \$ 14,015 | \$ (346,125) | \$ 183,349 |
| Gain (loss) on financial instruments at FVTPL, net | | | | |
| Mandatorily measured at FVTPL | 4,884,964 | (2,572,629) | (2,537,012) | (4,971,538) |
| The reversal (accrual) of expected credit loss of financial assets | | | | |
| Investments in debt instruments at FVTOCI | (1,085) | 1,056 | (553) | (561) |
| Financial assets at amortized cost | (9,319) | 906 | (32,729) | 5,807 |
| Other gains (losses), net | <u>(102,252)</u> | <u>(11,435)</u> | <u>(82,705)</u> | <u>261,693</u> |
| | <u>\$ 4,671,334</u> | <u>\$ (2,568,087)</u> | <u>\$ (2,999,124)</u> | <u>\$ (4,521,250)</u> |

25. INCOME TAX

a. Income tax expense recognized in profit or loss

Income tax expense consisted of the following:

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|------------------------------------------------------------|--------------------------------------------|----------------------|-------------------------------------------|----------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Current income tax expense | | | | |
| Current tax expense recognized in the current period | \$ 40,291,507 | \$ 22,861,314 | \$ 103,055,761 | \$ 62,738,892 |
| Income tax adjustments on prior years | - | 53,479 | (523,244) | 211,922 |
| Other income tax adjustments | <u>55,481</u> | <u>40,188</u> | <u>142,285</u> | <u>110,074</u> |
| | <u>40,346,988</u> | <u>22,954,981</u> | <u>102,674,802</u> | <u>63,060,888</u> |
| Deferred income tax benefit | | | | |
| The origination and reversal of temporary differences | (5,731,478) | (4,150,348) | (15,260,364) | (11,388,659) |
| Investment tax credits | <u>1,106,950</u> | <u>(1,432,148)</u> | <u>1,084,373</u> | <u>(4,064,745)</u> |
| | <u>(4,624,528)</u> | <u>(5,582,496)</u> | <u>(14,175,991)</u> | <u>(15,453,404)</u> |
| Income tax expense recognized in profit or loss | <u>\$ 35,722,460</u> | <u>\$ 17,372,485</u> | <u>\$ 88,498,811</u> | <u>\$ 47,607,484</u> |

b. Income tax examination

The tax authorities have examined income tax returns of TSMC through 2020. All investment tax credit adjustments assessed by the tax authorities have been recognized accordingly.

26. EARNINGS PER SHARE

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|-------------|--------------------------------------------|----------------|-------------------------------------------|-----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Basic EPS | <u>\$ 10.83</u> | <u>\$ 6.03</u> | <u>\$ 27.79</u> | <u>\$ 16.59</u> |
| Diluted EPS | <u>\$ 10.83</u> | <u>\$ 6.03</u> | <u>\$ 27.79</u> | <u>\$ 16.59</u> |

EPS is computed as follows:

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-----------------------|-------------------------------------------|-----------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Basic EPS | | | | |
| Net income available to common shareholders of the parent | <u>\$ 280,865,780</u> | <u>\$ 156,258,287</u> | <u>\$ 720,626,072</u> | <u>\$ 430,307,722</u> |
| Weighted average number of common shares outstanding used in the computation of basic EPS (in thousands) | <u>25,928,993</u> | <u>25,930,380</u> | <u>25,929,256</u> | <u>25,930,380</u> |
| Basic EPS (in dollars) | <u>\$ 10.83</u> | <u>\$ 6.03</u> | <u>\$ 27.79</u> | <u>\$ 16.59</u> |

(Continued)

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------|-----------------------|-------------------------------------------|-----------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Diluted EPS | | | | |
| Net income available to common shareholders of the parent | <u>\$ 280,865,780</u> | <u>\$ 156,258,287</u> | <u>\$ 720,626,072</u> | <u>\$ 430,307,722</u> |
| Weighted average number of common shares outstanding used in the computation of basic EPS (in thousands) | 25,928,993 | 25,930,380 | 25,929,256 | 25,930,380 |
| Effects of all dilutive potential common shares | <u>172</u> | <u>-</u> | <u>137</u> | <u>-</u> |
| Weighted average number of common shares used in the computation of diluted EPS (in thousands) | <u>25,929,165</u> | <u>25,930,380</u> | <u>25,929,393</u> | <u>25,930,380</u> |
| Diluted EPS (in dollars) | <u>\$ 10.83</u> | <u>\$ 6.03</u> | <u>\$ 27.79</u> | <u>\$ 16.59</u> |
| | | | | (Concluded) |

27. SHARE-BASED PAYMENT ARRANGEMENTS

a. Equity-settled share-based payment-RSAs

The issuance of RSAs for year 2021 (2021 RSAs) of no more than 2,600 thousand common shares has been approved by TSMC's shareholders' meeting held on July 26, 2021. The grants will be made free of charge. Under the aforementioned resolution, TSMC's Board of Directors approved the issuance of RSAs of 1,387 thousand shares. The grant date and the issuance date were both March 1, 2022.

Vesting conditions of the aforementioned arrangement are as follow:

- 1) The RSAs granted to key management personnel can only be vested if
 - the key management personnel remain employed by TSMC on the last date of each vesting period;
 - during the vesting period, the key management personnel may not breach any agreement with the TSMC or violate the TSMC's work rules; and
 - certain key management personnel performance metrics and the TSMC's business performance metrics are met.
- 2) The maximum percentage of granted RSAs that may be vested each year shall be as follows: one-year anniversary of the grant: 50%; two-year anniversary of the grant: 25%; and three-year anniversary of the grant: 25%; provided that the actual percentage and number of the RSAs to be vested in each year will be calculated based on the achievement of the TSMC's business performance metrics.
- 3) The maximum number of RSAs that may be vested in each year will be set as 110%, among which 100% will be subject to a calculation based on the TSMC's relative Total Shareholder Return ("TSR", including capital gains and dividends) achievement to determine the number of RSAs to be vested; this number will be further subject to a modifier to increase or decrease up to 10% based on the Compensation Committee's evaluation of the TSMC's Environmental, Social, and Governance ("ESG") achievements. The number of shares so calculated should be rounded down to the nearest integral.

**TSMC's TSR relative to the
TSR of S&P 500 IT Index**

Ratio of Shares to be Vested

| | |
|----------------------------------------|------------------------------------------|
| Above the Index by X percentage points | 50% + X * 2.5%, with the maximum of 100% |
| Equal to the Index | 50% |
| Below the Index by X percentage points | 50% - X * 2.5%, with the minimum of 0% |

Restrictions imposed on the key management personnel' rights in the RSAs before the vesting conditions are fulfilled:

- 1) During each vesting period, no key management personnel granted RSAs, except for inheritance, may sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, any shares under the unvested RSAs.
- 2) Before the vesting conditions are fulfilled, the attendance, proposal rights, speech rights, voting rights and etc. shall be exercised by the engaged trustee/custodian on the key management personnel's behalf. Any other shareholder rights including but not limited to the entitlement to any distribution regarding dividends, bonuses and capital reserve, and the subscription right of the new shares issued for any capital increase, are the same as those of holders of common shares of TSMC.
- 3) Details of granted 2021 RSAs are as follows:

| | <u>Nine Months Ended September 30, 2022</u> Number of Stocks (In Thousands) |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------|
| Balance, beginning of period | - |
| Issuance of stocks | <u>1,387</u> |
| Balance, end of period | <u>1,387</u> |
| Weighted-average fair value of RSAs (in dollars) | <u>\$ 325.81</u> |

The 2021 RSAs is measured at fair value at grant date by using the binominal tree approach. Relevant information is as follows:

| | March 1, 2022 |
|----------------------------------------|----------------------|
| Stock price at grant date (in dollars) | \$ 604 |
| Expected price volatility | 25.34%-28.28% |
| Expected option life | 1-3 years |
| Risk-free interest rate | 0.57% |

Refer to Note 28 for the compensation costs of the 2021 RSAs recognized by TSMC.

The issuance of RSAs for year 2022 (2022 RSAs) of no more than 3,065 thousand common shares has been approved by TSMC's shareholders' meeting held on June 8, 2022. The grants will be made free of charge.

b. Cash-settled share-based payment arrangements

On March 1, 2022, TSMC executed a compensation plan to grant 236 thousand units of employee cash-settled share-based payment arrangement. One unit of the right represents a right to the market value of one TSMC's common share when vested. The vesting conditions and the ratio of units to be vested for key management personnel of the plan are the same as the aforementioned 2021 RSAs.

The fair value of compensation cost for the cash-settled share-based payment was measured by using binominal tree approach and will be measured each reporting period until settlement. Relevant information is as follows:

| | Nine Months Ended September 30, 2022 |
|----------------------------------------------|-------------------------------------------------|
| Stock price at measurement date (in dollars) | \$ 476.5 |
| Expected price volatility | 26.72%-30.73% |
| Expected option life | 1-3 years |
| Risk-free interest rate | 1.18% |

Refer to Note 28 for the compensation costs of the cash-settled share-based payment recognized by TSMC. The liabilities under cash-settle share-based payment arrangement amounted to NT\$23,537 thousands as of the end of reporting period.

28. ADDITIONAL INFORMATION OF EXPENSES BY NATURE

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|--------------------------------------------------------------------------|--------------------------------------------|-----------------------|-------------------------------------------|-----------------------|
| | 2022 | 2021 | 2022 | 2021 |
| a. Depreciation of property, plant and equipment and right-of-use assets | | | | |
| Recognized in cost of revenue | \$ 95,904,327 | \$ 97,830,855 | \$ 301,364,537 | \$ 284,777,952 |
| Recognized in operating expenses | 7,239,604 | 7,057,572 | 21,752,204 | 20,673,474 |
| Recognized in other operating income and expenses | <u>3,288</u> | <u>13,317</u> | <u>5,478</u> | <u>147,371</u> |
| | <u>\$ 103,147,219</u> | <u>\$ 104,901,744</u> | <u>\$ 323,122,219</u> | <u>\$ 305,598,797</u> |
| b. Amortization of intangible assets | | | | |
| Recognized in cost of revenue | \$ 1,536,479 | \$ 1,468,312 | \$ 4,548,103 | \$ 4,150,177 |
| Recognized in operating expenses | <u>661,968</u> | <u>656,707</u> | <u>2,002,054</u> | <u>1,983,265</u> |
| | <u>\$ 2,198,447</u> | <u>\$ 2,125,019</u> | <u>\$ 6,550,157</u> | <u>\$ 6,133,442</u> |

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|--------------------------------------------------|--------------------------------------------|----------------------|-------------------------------------------|-----------------------|
| | 2022 | 2021 | 2022 | 2021 |
| c. Employee benefits expenses | | | | |
| Post-employment benefits | | | | |
| Defined contribution plans | \$ 1,194,939 | \$ 999,238 | \$ 3,342,703 | \$ 2,713,067 |
| Defined benefit plans | <u>52,626</u> | <u>48,112</u> | <u>157,187</u> | <u>144,344</u> |
| | <u>1,247,565</u> | <u>1,047,350</u> | <u>3,499,890</u> | <u>2,857,411</u> |
| Share-based payments | | | | |
| Equity-settled | 80,290 | 2,553 | 222,091 | 6,007 |
| Cash-settled | <u>7,536</u> | <u>-</u> | <u>24,835</u> | <u>-</u> |
| | <u>87,826</u> | <u>2,553</u> | <u>246,926</u> | <u>6,007</u> |
| Other employee benefits | <u>63,077,715</u> | <u>41,633,719</u> | <u>168,008,855</u> | <u>117,312,328</u> |
| | <u>\$ 64,413,106</u> | <u>\$ 42,683,622</u> | <u>\$ 171,755,671</u> | <u>\$ 120,175,746</u> |
| Employee benefits expense summarized by function | | | | |
| Recognized in cost of revenue | \$ 37,344,903 | \$ 25,364,310 | \$ 100,859,986 | \$ 71,684,550 |
| Recognized in operating expenses | <u>27,068,203</u> | <u>17,319,312</u> | <u>70,895,685</u> | <u>48,491,196</u> |
| | <u>\$ 64,413,106</u> | <u>\$ 42,683,622</u> | <u>\$ 171,755,671</u> | <u>\$ 120,175,746</u> |

According to TSMC's Articles of Incorporation, TSMC shall allocate compensation to directors and profit sharing bonus to employees of TSMC not more than 0.3% and not less than 1% of annual profits during the period, respectively.

TSMC accrued profit sharing bonus to employees based on a percentage of net income before income tax, profit sharing bonus to employees and compensation to directors during the period; compensation to directors was expensed based on estimated amount payable. If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate. Accrued profit sharing bonus to employees is illustrated below:

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|-----------------------------------|--------------------------------------------|---------------------|-------------------------------------------|----------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Profit sharing bonus to employees | <u>\$ 16,771,157</u> | <u>\$ 9,326,508</u> | <u>\$ 43,031,392</u> | <u>\$ 25,685,342</u> |

TSMC's profit sharing bonus to employees and compensation to directors for 2021 and 2020 had been approved by the Board of Directors of TSMC, as illustrated below:

| | Years Ended December 31 | |
|--------------------------------------------------------------------|--------------------------------|-------------------------|
| | 2021 | 2020 |
| Resolution Date of TSMC's Board of Directors in its meeting | February 15, 2022 | February 9, 2021 |
| Profit sharing bonus to employees | <u>\$ 35,601,449</u> | <u>\$ 34,753,184</u> |
| Compensation to directors | <u>\$ 487,537</u> | <u>\$ 509,753</u> |

There is no significant difference between the aforementioned approved amounts and the amounts charged against earnings of 2021 and 2020, respectively.

The information about the appropriations of TSMC's profit sharing bonus to employees and compensation to directors is available at the Market Observation Post System website.

29. CASH FLOW INFORMATION

a. Non-cash transactions

| | Nine Months Ended September 30 | |
|------------------------------------------------------------|---------------------------------------|-----------------------|
| | 2022 | 2021 |
| Additions of financial assets at FVTOCI | \$ 40,812,439 | \$ 200,469,936 |
| Changes in accrued expenses and other current liabilities | 8,458,351 | (5,028,178) |
| Changes in other financial assets | <u>(1,217)</u> | <u>-</u> |
| Payments for acquisition of financial assets at FVTOCI | <u>\$ 49,269,573</u> | <u>\$ 195,441,758</u> |
| Disposal of financial assets at FVTOCI | \$ 38,683,380 | \$ 197,256,267 |
| Changes in other financial assets | <u>2,538,030</u> | <u>1,483,350</u> |
| Proceeds from disposal of financial assets at FVTOCI | <u>\$ 41,221,410</u> | <u>\$ 198,739,617</u> |
| Additions of property, plant and equipment | \$ 747,936,092 | \$ 577,677,778 |
| Changes in other financial assets | 5,599,717 | 761,893 |
| Changes in payables to contractors and equipment suppliers | (6,733,136) | 25,241,444 |
| Changes in accrued expenses and other current liabilities | 596,789 | - |
| Transferred to initial carrying amount of hedged items | - | (41,416) |
| Capitalized interests | <u>(1,571,705)</u> | <u>-</u> |
| Payments for acquisition of property, plant and equipment | <u>\$ 745,827,757</u> | <u>\$ 603,639,699</u> |
| Additions of intangible assets | \$ 5,874,534 | \$ 6,041,320 |
| Changes in other financial assets | 7,584 | 2,700 |
| Changes in accrued expenses and other current liabilities | <u>(411,032)</u> | <u>(366,495)</u> |
| Payments for acquisition of intangible assets | <u>\$ 5,471,086</u> | <u>\$ 5,677,525</u> |

b. Reconciliation of liabilities arising from financing activities

| | Balance as of January 1, 2022 | Financing Cash Flow | Non-cash Changes | | | Balance as of September 30, 2022 |
|----------------------|----------------------------------|------------------------|---------------------------------|-------------------------|-------------------------|----------------------------------------|
| | | | Foreign Exchange Movement | Leases Modifications | Other Changes (Note) | |
| Short-term loans | \$ 114,921,333 | \$ (111,959,992) | \$ (2,372,053) | \$ - | \$ (589,288) | \$ - |
| Bonds payable | 614,470,652 | 187,690,399 | 62,510,018 | - | 215,402 | 864,886,471 |
| Long-term bank loans | 3,475,798 | 500,000 | - | - | 6,047 | 3,981,845 |
| Lease liabilities | <u>22,940,665</u> | <u>(1,941,321)</u> | <u>147,704</u> | <u>11,416,525</u> | <u>183,008</u> | <u>32,746,581</u> |
| Total | <u>\$ 755,808,448</u> | <u>\$ 74,289,086</u> | <u>\$ 60,285,669</u> | <u>\$ 11,416,525</u> | <u>\$ (184,831)</u> | <u>\$ 901,614,897</u> |

| | Balance as of January 1, 2021 | Financing Cash Flow | Non-cash Changes | | | Balance as of September 30, 2021 |
|----------------------|----------------------------------|------------------------|---------------------------------|-------------------------|-------------------------|----------------------------------------|
| | | | Foreign Exchange Movement | Leases Modifications | Other Changes (Note) | |
| Short-term loans | \$ 88,559,026 | \$ 37,530,131 | \$ (6,830,906) | \$ - | \$ (414,186) | \$ 118,844,065 |
| Bonds payable | 256,705,084 | 204,198,161 | (1,272,285) | - | 102,488 | 459,733,448 |
| Long-term bank loans | 1,967,611 | 1,510,000 | - | - | (5,421) | 3,472,190 |
| Lease liabilities | <u>22,388,674</u> | <u>(1,595,286)</u> | <u>(47,830)</u> | <u>2,238,232</u> | <u>144,822</u> | <u>23,128,612</u> |
| Total | <u>\$ 369,620,395</u> | <u>\$ 241,643,006</u> | <u>\$ (8,151,021)</u> | <u>\$ 2,238,232</u> | <u>\$ (172,297)</u> | <u>\$ 605,178,315</u> |

Note: Other changes include discounts on short-term loans, amortization of bonds payable, amortization of long-term bank loan interest subsidy and financial cost of lease liabilities.

30. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|-------------------------------|------------------------|------------------------|------------------------|
| Financial assets | | | |
| FVTPL (Note 1) | \$ 4,705,434 | \$ 159,048 | \$ 33,956 |
| FVTOCI (Note 2) | 139,040,137 | 129,607,052 | 131,158,674 |
| Hedging financial assets | 88,431 | 13,468 | 37,769 |
| Amortized cost (Note 3) | <u>1,695,094,039</u> | <u>1,283,715,674</u> | <u>1,055,535,934</u> |
| | <u>\$1,838,928,041</u> | <u>\$1,413,495,242</u> | <u>\$1,186,766,333</u> |
| Financial liabilities | | | |
| FVTPL (Note 4) | \$ 611,010 | \$ 681,914 | \$ 1,405,470 |
| Hedging financial liabilities | - | 9,642 | - |
| Amortized cost (Note 5) | <u>1,635,913,770</u> | <u>1,355,957,244</u> | <u>1,098,592,492</u> |
| | <u>\$1,636,524,780</u> | <u>\$1,356,648,800</u> | <u>\$1,099,997,962</u> |

Note 1: Financial assets mandatorily measured at FVTPL.

Note 2: Including notes and accounts receivable (net), equity and debt investments.

Note 3: Including cash and cash equivalents, financial assets at amortized cost, notes and accounts receivable (including related parties), other receivables and refundable deposits.

Note 4: Held for trading.

Note 5: Including short-term loans, accounts payable (including related parties), payables to contractors and equipment suppliers, cash dividends payable, accrued expenses and other current liabilities, bonds payable, long-term bank loans, guarantee deposits and other noncurrent liabilities.

b. Financial risk management objectives

The Company manages its exposure to foreign currency risk, interest rate risk, equity price risk, credit risk and liquidity risk with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by the Audit Committees and/or Board of Directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, the Company must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

c. Market risk

The Company is exposed to the financial market risks, primarily changes in foreign currency exchange rates, interest rates and equity investment prices. A portion of these risks is hedged.

Foreign currency risk

Substantially all the Company's sales are denominated in U.S. dollars and over half of its capital expenditures are denominated in currencies other than NT dollars, primarily in U.S. dollars, Japanese yen and Euros. As a result, any significant fluctuations to its disadvantage in the exchange rate of NT dollar against such currencies, in particular a weakening of U.S. dollar against NT dollar, would have an adverse impact on the revenue and operating profit as expressed in NT dollars. The Company uses foreign currency derivative contracts, such as currency forwards or currency swaps, to protect against currency exchange rate risks associated with non-NT dollar-denominated assets and liabilities and certain forecasted transactions. These hedges reduce, but do not entirely eliminate, the effect of foreign currency exchange rate movements on the assets and liabilities.

Based on a sensitivity analysis performed on the Company's total monetary assets and liabilities for the nine months ended September 30, 2022 and 2021, a hypothetical adverse foreign currency exchange rate change of 10% would have decreased its net income by NT\$697,072 thousand and NT\$542,268 thousand respectively, after taking into account hedges and offsetting positions.

Interest rate risk

The Company is exposed to interest rate risks primarily in relation to its investment portfolio and outstanding debt. Changes in interest rates affect the interest earned on the Company's cash and cash equivalents and fixed income securities, the fair value of those securities, as well as the interest paid on its debt.

The Company's cash and cash equivalents as well as fixed income investments in both fixed- and floating-rate securities carry a degree of interest rate risk. The majority of the Company's fixed income investments are fixed-rate securities, which are classified as financial assets at FVTOCI, and may have their fair value adversely affected due to a rise in interest rates. At the same time, if interest rates fall, cash and cash equivalents as well as floating-rate securities may generate less interest income than expected. The Company has entered and may in the future enter into interest rate derivatives to partially hedge the interest rate risk on its fixed income investments and anticipated debt issuance. However, these hedges can offset only a limited portion of the financial impact from movements in interest rates.

Based on a sensitivity analysis performed on the Company's fixed income investments at the end of the reporting period, interest rates increase of 100 basis points (1.00%) across all maturities would have decreased the Company's other comprehensive income by NT\$4,065,956 thousand and NT\$3,871,576 thousand for the nine months ended September 30, 2022 and 2021, respectively.

All of the Company's short-term debt is floating-rate, hence a rise in interest rates may result in higher interest expense than expected. The majority of the Company's long-term debt is fixed-rate and measured at amortized cost and as such, changes in interest rates would not affect future cash flows or the carrying amount.

Other price risk

The Company is exposed to equity price risk arising from financial assets at FVTOCI.

Assuming a hypothetical decrease of 10% in prices of the equity investments at the end of the reporting period for the nine months ended September 30, 2022 and 2021, the other comprehensive income would have decreased by NT\$692,880 thousand and NT\$567,419 thousand, respectively.

d. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Company. The Company is exposed to credit risks from operating activities, primarily accounts receivable, and from investing activities, primarily deposits, fixed-income investments

and other financial instruments with banks. Credit risk is managed separately for business related and financial related exposures. As of the end of the reporting period, the Company's maximum credit risk exposure is equal to the carrying amount of financial assets.

Business related credit risk

The Company's accounts receivable are from its customers worldwide. The majority of the Company's outstanding accounts receivable are not covered by collaterals or guarantees. While the Company has procedures to monitor and manage credit risk exposure on accounts receivable, there is no assurance such procedures will effectively eliminate losses resulting from its credit risk. This risk is heightened during periods when economic conditions worsen.

As of September 30, 2022, December 31, 2021 and September 30, 2021, the Company's ten largest customers accounted for 82%, 79% and 80% of accounts receivable, respectively. The Company considers the concentration of credit risk for the remaining accounts receivable not material.

Financial credit risk

The Company mitigates its financial credit risk by selecting counterparties with investment grade credit ratings and by limiting the exposure to any individual counterparty. The Company regularly monitors and reviews the limit applied to counterparties and adjusts the limit according to market conditions and the credit standing of the counterparties.

The objective of the Company's investment policy is to achieve a return that will allow the Company to preserve principal and support liquidity requirements. The policy generally requires securities to be investment grade and limits the amount of credit exposure to any one issuer. The Company assesses whether there has been a significant increase in credit risk in the invested securities since initial recognition by reviewing changes in external credit ratings, financial market conditions and material information of the issuers.

The Company assesses the 12-month expected credit loss and lifetime expected credit loss based on the probability of default and loss given default provided by external credit rating agencies. The current credit risk assessment policies are as follows:

| Category | Description | Basis for Recognizing Expected Credit Loss | Expected Credit Loss Ratio |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------------|
| Performing | Credit rating is investment grade on valuation date | 12 months expected credit loss | 0-0.9% |
| Doubtful | Credit rating is non-investment grade on valuation date | Lifetime expected credit loss-not credit impaired | - |
| In default | Credit rating is CC or below on valuation date | Lifetime expected credit loss-credit impaired | - |
| Write-off | There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery | Amount is written off | - |

For the nine months ended September 30, 2022 and 2021, the expected credit loss increased NT\$41,636 thousand and decreased NT\$5,556 thousand, respectively. The changes were mainly due to increased investment amount and adjusted investment portfolio.

e. Liquidity risk management

The objective of liquidity risk management is to ensure the Company has sufficient liquidity to fund its business operations over the next 12 months. The Company manages its liquidity risk by maintaining adequate cash and cash equivalents, financial assets at FVTOCI-current, financial assets at amortized cost-current and sufficient cost-efficient funding.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments, including principal and interest.

| | Less Than 1 Year | 1-3 Years | 3-5 Years | More Than 5 Years | Total |
|------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|
| <u>September 30, 2022</u> | | | | | |
| <u>Non-derivative financial liabilities</u> | | | | | |
| Accounts payable (including related parties) | \$ 62,018,224 | \$ - | \$ - | \$ - | \$ 62,018,224 |
| Payables to contractors and equipment suppliers | 159,780,369 | - | - | - | 159,780,369 |
| Accrued expenses and other current liabilities | 206,908,541 | - | - | - | 206,908,541 |
| Bonds payable | 39,450,837 | 94,867,341 | 314,685,674 | 648,515,423 | 1,097,519,275 |
| Long-term bank loans | 963,041 | 2,601,517 | 524,867 | - | 4,089,425 |
| Lease liabilities (including those classified under accrued expenses and other current liabilities) (Note) | 2,946,938 | 5,278,010 | 4,749,791 | 23,213,612 | 36,188,351 |
| Others | - | 191,095,118 | 3,581,616 | - | 194,676,734 |
| | <u>472,067,950</u> | <u>293,841,986</u> | <u>323,541,948</u> | <u>671,729,035</u> | <u>1,761,180,919</u> |
| <u>Derivative financial instruments</u> | | | | | |
| Forward exchange contracts | | | | | |
| Outflows | 170,881,226 | - | - | - | 170,881,226 |
| Inflows | (175,119,667) | - | - | - | (175,119,667) |
| | <u>(4,238,441)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(4,238,441)</u> |
| | <u>\$ 467,829,509</u> | <u>\$ 293,841,986</u> | <u>\$ 323,541,948</u> | <u>\$ 671,729,035</u> | <u>\$ 1,756,942,478</u> |
| <u>December 31, 2021</u> | | | | | |
| <u>Non-derivative financial liabilities</u> | | | | | |
| Short-term loans | \$ 114,767,034 | \$ - | \$ - | \$ - | \$ 114,767,034 |
| Accounts payable (including related parties) | 48,722,789 | - | - | - | 48,722,789 |
| Payables to contractors and equipment suppliers | 145,742,148 | - | - | - | 145,742,148 |
| Accrued expenses and other current liabilities | 120,240,359 | - | - | - | 120,240,359 |
| Bonds payable | 13,580,628 | 42,801,397 | 191,458,126 | 506,504,958 | 754,345,109 |
| Long-term bank loans | 183,671 | 2,217,112 | 1,153,900 | - | 3,554,683 |
| Lease liabilities (including those classified under accrued expenses and other current liabilities) (Note) | 2,371,568 | 3,896,249 | 3,385,295 | 14,649,235 | 24,302,347 |
| Others | - | 164,991,929 | - | - | 164,991,929 |
| | <u>445,608,197</u> | <u>213,906,687</u> | <u>195,997,321</u> | <u>521,154,193</u> | <u>1,376,666,398</u> |
| <u>Derivative financial instruments</u> | | | | | |
| Forward exchange contracts | | | | | |
| Outflows | 187,708,035 | - | - | - | 187,708,035 |
| Inflows | (187,631,930) | - | - | - | (187,631,930) |
| | <u>76,105</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>76,105</u> |
| | <u>\$ 445,684,302</u> | <u>\$ 213,906,687</u> | <u>\$ 195,997,321</u> | <u>\$ 521,154,193</u> | <u>\$ 1,376,742,503</u> |

(Continued)

| | Less Than 1 Year | 1-3 Years | 3-5 Years | More Than 5 Years | Total |
|------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------|-----------------------|------------------------------|-------------------------|
| <u>September 30, 2021</u> | | | | | |
| <u>Non-derivative financial liabilities</u> | | | | | |
| Short-term loans | \$ 118,660,406 | \$ - | \$ - | \$ - | \$ 118,660,406 |
| Accounts payable (including related parties) | 43,888,861 | - | - | - | 43,888,861 |
| Payables to contractors and equipment suppliers | 128,367,724 | - | - | - | 128,367,724 |
| Accrued expenses and other current liabilities | 103,426,537 | - | - | - | 103,426,537 |
| Bonds payable | 5,785,181 | 38,720,687 | 126,849,991 | 372,476,536 | 543,832,395 |
| Long-term bank loans | 17,021 | 2,086,920 | 1,454,963 | - | 3,558,904 |
| Lease liabilities (including those classified under accrued expenses and other current liabilities) (Note) | 2,272,985 | 3,796,655 | 3,390,634 | 15,056,590 | 24,516,864 |
| Others | - | 97,521,348 | - | - | 97,521,348 |
| | <u>402,418,715</u> | <u>142,125,610</u> | <u>131,695,588</u> | <u>387,533,126</u> | <u>1,063,773,039</u> |
| <u>Derivative financial instruments</u> | | | | | |
| Forward exchange contracts | | | | | |
| Outflows | 176,212,206 | - | - | - | 176,212,206 |
| Inflows | <u>(175,119,313)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(175,119,313)</u> |
| | <u>1,092,893</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,092,893</u> |
| | <u>\$ 403,511,608</u> | <u>\$ 142,125,610</u> | <u>\$ 131,695,588</u> | <u>\$ 387,533,126</u> | <u>\$ 1,064,865,932</u> |
| | | | | | (Concluded) |

Note: Information about the maturity analysis for lease liabilities more than 5 years:

| | 5-10 Years | 10-15 Years | 15-20 Years | More Than 20 Years | Total |
|---------------------------|----------------------|---------------------|---------------------|-------------------------------|----------------------|
| <u>September 30, 2022</u> | | | | | |
| Lease liabilities | <u>\$ 10,373,309</u> | <u>\$ 7,513,470</u> | <u>\$ 4,390,162</u> | <u>\$ 936,671</u> | <u>\$ 23,213,612</u> |
| <u>December 31, 2021</u> | | | | | |
| Lease liabilities | <u>\$ 7,513,939</u> | <u>\$ 5,043,067</u> | <u>\$ 1,972,740</u> | <u>\$ 119,489</u> | <u>\$ 14,649,235</u> |
| <u>September 30, 2021</u> | | | | | |
| Lease liabilities | <u>\$ 7,616,790</u> | <u>\$ 5,154,382</u> | <u>\$ 2,131,771</u> | <u>\$ 153,647</u> | <u>\$ 15,056,590</u> |

f. Fair value of financial instruments

1) Fair value measurements recognized in the consolidated balance sheets

Fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The timing of transfers between levels within the fair value hierarchy is at the end of reporting period.

2) Fair value of financial instruments that are measured at fair value on a recurring basis

Fair value hierarchy

The following table presents the Company's financial assets and liabilities measured at fair value on a recurring basis:

| | September 30, 2022 | | | |
|------------------------------------------------|---------------------------|-----------------------|---------------------|-----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| <u>Financial assets at FVTPL</u> | | | | |
| Mandatorily measured at FVTPL | | | | |
| Forward exchange contracts | \$ - | \$ 4,705,434 | \$ - | \$ 4,705,434 |
| <u>Financial assets at FVTOCI</u> | | | | |
| Investments in debt instruments | | | | |
| Corporate bonds | \$ - | \$ 66,420,737 | \$ - | \$ 66,420,737 |
| Agency bonds/Agency mortgage-backed securities | - | 29,713,881 | - | 29,713,881 |
| Government bonds | 20,139,588 | 87,094 | - | 20,226,682 |
| Asset-backed securities | - | 9,580,806 | - | 9,580,806 |
| Investments in equity instruments | | | | |
| Non-publicly traded equity investments | - | - | 6,784,978 | 6,784,978 |
| Publicly traded stocks | 267,316 | - | - | 267,316 |
| Notes and accounts receivable, net | - | 6,045,737 | - | 6,045,737 |
| | <u>\$ 20,406,904</u> | <u>\$ 111,848,255</u> | <u>\$ 6,784,978</u> | <u>\$ 139,040,137</u> |
| <u>Hedging financial assets</u> | | | | |
| Fair value hedges | | | | |
| Interest rate futures contracts | \$ 88,431 | \$ - | \$ - | \$ 88,431 |
| <u>Financial liabilities at FVTPL</u> | | | | |
| Held for trading | | | | |
| Forward exchange contracts | \$ - | \$ 611,010 | \$ - | \$ 611,010 |
| | <u>\$ -</u> | <u>\$ 611,010</u> | <u>\$ -</u> | <u>\$ 611,010</u> |
| | December 31, 2021 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| <u>Financial assets at FVTPL</u> | | | | |
| Mandatorily measured at FVTPL | | | | |
| Forward exchange contracts | \$ - | \$ 159,048 | \$ - | \$ 159,048 |
| <u>Financial assets at FVTOCI</u> | | | | |
| Investments in debt instruments | | | | |
| Corporate bonds | \$ - | \$ 57,253,161 | \$ - | \$ 57,253,161 |
| Agency bonds/Agency mortgage-backed securities | - | 32,070,114 | - | 32,070,114 |
| Government bonds | 21,267,002 | 78,792 | - | 21,345,794 |
| Asset-backed securities | - | 8,660,424 | - | 8,660,424 |
| Investments in equity instruments | | | | |
| Non-publicly traded equity investments | - | - | 5,887,892 | 5,887,892 |
| Publicly traded stocks | 189,758 | - | - | 189,758 |
| Notes and accounts receivable, net | - | 4,199,909 | - | 4,199,909 |
| | <u>\$ 21,456,760</u> | <u>\$ 102,262,400</u> | <u>\$ 5,887,892</u> | <u>\$ 129,607,052</u> |
| <u>Hedging financial assets</u> | | | | |
| Cash flow hedges | | | | |
| Forward interest rate contracts | \$ - | \$ 13,468 | \$ - | \$ 13,468 |

(Continued)

| | December 31, 2021 | | | |
|---------------------------------------|--------------------------|-----------------------|-----------------------|------------------------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| <u>Financial liabilities at FVTPL</u> | | | | |
| Held for trading | | | | |
| Forward exchange contracts | \$ <u> -</u> | \$ <u> 681,914</u> | \$ <u> -</u> | \$ <u> 681,914</u> |
| <u>Hedging financial liabilities</u> | | | | |
| Fair value hedges | | | | |
| Interest rate futures contracts | \$ <u> 9,642</u> | \$ <u> -</u> | \$ <u> -</u> | \$ <u> 9,642</u> (Concluded) |

| | September 30, 2021 | | | |
|------------------------------------------------|---------------------------|-----------------------|-----------------------|-----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| <u>Financial assets at FVTPL</u> | | | | |
| Mandatorily measured at FVTPL | | | | |
| Forward exchange contracts | \$ <u> -</u> | \$ <u> 33,956</u> | \$ <u> -</u> | \$ <u> 33,956</u> |
| <u>Financial assets at FVTOCI</u> | | | | |
| Investments in debt instruments | | | | |
| Corporate bonds | \$ - | \$ 58,340,908 | \$ - | \$ 58,340,908 |
| Agency bonds/Agency mortgage-backed securities | - | 33,836,903 | - | 33,836,903 |
| Government bonds | 22,399,723 | 80,026 | - | 22,479,749 |
| Asset-backed securities | - | 7,219,193 | - | 7,219,193 |
| Investments in equity instruments | | | | |
| Non-publicly traded equity investments | - | - | 5,729,779 | 5,729,779 |
| Publicly traded stocks | 59,125 | - | - | 59,125 |
| Notes and accounts receivable, net | <u> -</u> | <u> 3,493,017</u> | <u> -</u> | <u> 3,493,017</u> |
| | <u>\$ 22,458,848</u> | <u>\$ 102,970,047</u> | <u>\$ 5,729,779</u> | <u>\$ 131,158,674</u> |
| <u>Hedging financial assets</u> | | | | |
| Fair value hedges | | | | |
| Interest rate futures contracts | \$ <u> 37,769</u> | \$ <u> -</u> | \$ <u> -</u> | \$ <u> 37,769</u> |
| <u>Financial liabilities at FVTPL</u> | | | | |
| Held for trading | | | | |
| Forward exchange contracts | \$ <u> -</u> | \$ <u> 1,405,470</u> | \$ <u> -</u> | \$ <u> 1,405,470</u> |

Reconciliation of Level 3 fair value measurements of financial assets

The financial assets measured at Level 3 fair value were equity investments classified as financial assets at FVTOCI. Reconciliations for the nine months ended September 30, 2022 and 2021 are as follows:

| | Nine Months Ended September 30 | |
|--------------------------------------------------------------|---------------------------------------|---------------------|
| | 2022 | 2021 |
| Balance, beginning of period | \$ 5,887,892 | \$ 4,514,940 |
| Additions | 315,772 | 293,034 |
| Recognized in other comprehensive income or loss | (11,606) | 1,071,721 |
| Disposals and proceeds from return of capital of investments | - | (115,627) |
| Transfers out of level 3 (Note) | (139,770) | - |
| Effect of exchange rate changes | <u>732,690</u> | <u>(34,289)</u> |
| Balance, end of period | <u>\$ 6,784,978</u> | <u>\$ 5,729,779</u> |

Note: The transfer from level 3 to level 1 is because quoted prices (unadjusted) in active markets data became available for the equity investments.

Valuation techniques and assumptions used in Level 2 fair value measurement

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of corporate bonds, agency bonds, agency mortgage-backed securities, asset-backed securities and government bonds are determined by quoted market prices provided by third party pricing services.
- The fair values of forward contracts are measured using forward rates and discount rates derived from quoted market prices.
- The fair value of accounts receivable classified as at FVTOCI is determined by the present value of future cash flows based on the discount rate that reflects the credit risk of counterparties.

Valuation techniques and assumptions used in Level 3 fair value measurement

The fair values of non-publicly traded equity investments (excluding those trading on the Emerging Stock Board) are mainly determined by using the asset approach and market approach.

The asset approach takes into account the net asset value measured at the fair value by independent parties. On September 30, 2022, December 31, 2021 and September 30, 2021, the Company uses unobservable inputs derived from discount for lack of marketability of 10%. When other inputs remain equal, the fair value will decrease by NT\$56,247 thousand, NT\$51,372 thousand and NT\$47,821 thousand, respectively, if discounts for lack of marketability increase by 1%.

For the remaining few investments, the market approach is used to arrive at their fair values, for which the recent financing activities of investees, the market transaction prices of the similar companies and market conditions are considered.

3) Fair value of financial instruments that are not measured at fair value

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments in the consolidated financial statements that are not measured at fair value approximate their fair values.

Fair value hierarchy

The table below sets out the fair value hierarchy for the Company's financial assets and liabilities which are not required to be measured at fair value:

| | <u>September 30, 2022</u> | |
|-------------------------------------|----------------------------|-------------------------------|
| | <u>Carrying Amount</u> | <u>Level 2 Fair Value</u> |
| <u>Financial assets</u> | | |
| Financial assets at amortized costs | | |
| Corporate bonds | \$ 70,800,817 | \$ 69,466,149 |
| Commercial paper | <u>43,404,235</u> | <u>43,517,466</u> |
| | <u>\$ 114,205,052</u> | <u>\$ 112,983,615</u> |

(Continued)

| | <u>September 30, 2022</u> | |
|------------------------------------------|----------------------------|--------------------------------------|
| | Carrying Amount | Level 2 Fair Value |
| <u>Financial liabilities</u> | | |
| Financial liabilities at amortized costs | | |
| Bonds payable | <u>\$ 864,886,471</u> | <u>\$ 765,664,981</u> (Concluded) |
| | | |
| | <u>December 31, 2021</u> | |
| | Carrying Amount | Level 2 Fair Value |
| <u>Financial assets</u> | | |
| Financial assets at amortized costs | | |
| Corporate bonds | <u>\$ 5,306,962</u> | <u>\$ 5,317,957</u> |
| | | |
| <u>Financial liabilities</u> | | |
| Financial liabilities at amortized costs | | |
| Bonds payable | <u>\$ 614,470,652</u> | <u>\$ 613,514,692</u> |
| | | |
| | <u>September 30, 2021</u> | |
| | Carrying Amount | Level 2 Fair Value |
| <u>Financial assets</u> | | |
| Financial assets at amortized costs | | |
| Corporate bonds | <u>\$ 1,545,597</u> | <u>\$ 1,577,696</u> |
| | | |
| <u>Financial liabilities</u> | | |
| Financial liabilities at amortized costs | | |
| Bonds payable | <u>\$ 459,733,448</u> | <u>\$ 454,886,671</u> |

Valuation techniques and assumptions used in Level 2 fair value measurement

The fair values of corporate bonds and the Company's bonds payable are determined by quoted market prices provided by third party pricing services.

The fair value of commercial paper is determined by the present value of future cash flows based on the discounted curves that are derived from the quoted market prices.

31. RELATED PARTY TRANSACTIONS

Intercompany balances and transactions between TSMC and its subsidiaries, which are related parties of TSMC, have been eliminated upon consolidation; therefore those items are not disclosed in this note. The following is a summary of significant transactions between the Company and other related parties:

a. Related party name and categories

| <u>Related Party Name</u> | <u>Related Party Categories</u> |
|---------------------------------------|---------------------------------|
| GUC | Associates |
| VIS | Associates |
| SSMC | Associates |
| Xintec | Associates |
| TSMC Education and Culture Foundation | Other related parties |
| TSMC Charity Foundation | Other related parties |

b. Net revenue

| | | <u>Three Months Ended</u> | | <u>Nine Months Ended</u> | |
|--------------------------------|---------------------------------|---------------------------|---------------------|--------------------------|---------------------|
| | | <u>September 30</u> | | <u>September 30</u> | |
| | | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| <u>Item</u> | <u>Related Party Categories</u> | | | | |
| Net revenue from sale of goods | Associates | <u>\$ 3,392,845</u> | <u>\$ 2,438,567</u> | <u>\$ 9,363,166</u> | <u>\$ 5,885,674</u> |

c. Purchases

| | | <u>Three Months Ended</u> | | <u>Nine Months Ended</u> | |
|--|---------------------------------|---------------------------|---------------------|--------------------------|---------------------|
| | | <u>September 30</u> | | <u>September 30</u> | |
| | | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | <u>Related Party Categories</u> | | | | |
| | Associates | <u>\$ 1,699,804</u> | <u>\$ 1,817,821</u> | <u>\$ 4,797,872</u> | <u>\$ 5,720,954</u> |

d. Receivables from related parties

| | | <u>September 30,</u> | <u>December 31,</u> | <u>September 30,</u> |
|----------------------------------|---------------------------|----------------------|---------------------|----------------------|
| | | <u>2022</u> | <u>2021</u> | <u>2021</u> |
| <u>Item</u> | <u>Related Party Name</u> | | | |
| Receivables from related parties | GUC | \$ 934,086 | \$ 597,836 | \$ 678,067 |
| | Xintec | <u>157,088</u> | <u>117,488</u> | <u>181,077</u> |
| | | <u>\$ 1,091,174</u> | <u>\$ 715,324</u> | <u>\$ 859,144</u> |
| Other receivables | SSMC | \$ 70,674 | \$ 50,375 | \$ 49,304 |
| | VIS | 5,469 | 11,156 | 8,758 |
| | TSMC Charity Foundation | <u>-</u> | <u>-</u> | <u>15,028</u> |
| | | <u>\$ 76,143</u> | <u>\$ 61,531</u> | <u>\$ 73,090</u> |

e. Payables to related parties

| | | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|-----------------------------|---------------------------|-------------------------------|------------------------------|-------------------------------|
| <u>Item</u> | <u>Related Party Name</u> | | | |
| Payables to related parties | Xintec | \$ 1,181,914 | \$ 725,325 | \$ 1,403,671 |
| | SSMC | 527,944 | 349,211 | 419,846 |
| | VIS | 141,586 | 357,151 | 305,298 |
| | Others | <u>19,375</u> | <u>5,499</u> | <u>26,813</u> |
| | | <u>\$ 1,870,819</u> | <u>\$ 1,437,186</u> | <u>\$ 2,155,628</u> |

f. Accrued expenses and other current liabilities

| | | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|----------------------|---------------------------------|-------------------------------|------------------------------|-------------------------------|
| <u>Item</u> | <u>Related Party Categories</u> | | | |
| Contract liabilities | Associates | <u>\$ 837,482</u> | <u>\$ 726,350</u> | <u>\$ 523,538</u> |

g. Others

| | | <u>Three Months Ended September 30</u> | | <u>Nine Months Ended September 30</u> | |
|------------------------|---------------------------------|--------------------------------------------|---------------------|-------------------------------------------|---------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| <u>Item</u> | <u>Related Party Categories</u> | | | | |
| Manufacturing expenses | Associates | <u>\$ 1,624,663</u> | <u>\$ 1,676,996</u> | <u>\$ 4,489,117</u> | <u>\$ 4,243,515</u> |

The sales prices and payment terms to related parties were not significantly different from those of sales to third parties. For other related party transactions, price and terms were determined in accordance with mutual agreements.

The Company leased factory and office from associates. The lease terms and prices were both determined in accordance with mutual agreements. The rental expenses were paid to associates monthly; the related expenses were both classified under manufacturing expenses.

h. Compensation of key management personnel

The compensation to directors and other key management personnel were as follows:

| | <u>Three Months Ended September 30</u> | | <u>Nine Months Ended September 30</u> | |
|------------------------------|--------------------------------------------|-------------------|-------------------------------------------|---------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Short-term employee benefits | \$ 1,138,271 | \$ 712,947 | \$ 3,122,981 | \$ 2,015,418 |
| Post-employment benefits | 698 | 746 | 2,373 | 2,241 |
| Share-based payments | <u>82,887</u> | <u>-</u> | <u>203,008</u> | <u>-</u> |
| | <u>\$ 1,221,856</u> | <u>\$ 713,693</u> | <u>\$ 3,328,362</u> | <u>\$ 2,017,659</u> |

The compensation to directors and other key management personnel were determined by the Compensation Committee of TSMC in accordance with the individual performance and market trends.

32. PLEDGED ASSETS

The Company provided certificate of deposits recorded in other financial assets as collateral mainly for building construction, building lease agreements and energy purchase agreements. As of September 30, 2022, December 31, 2021 and September 30, 2021, the aforementioned other financial assets amounted to NT\$131,995 thousand, NT\$210,235 thousand and NT\$262,147 thousand, respectively.

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingent liabilities and unrecognized commitments of the Company as of the end of the reporting period, excluding those disclosed in other notes, were as follows:

- a. Under a technical cooperation agreement with Industrial Technology Research Institute, the R.O.C. Government or its designee approved by TSMC can use up to 35% of TSMC's capacity provided TSMC's outstanding commitments to its customers are not prejudiced. The term of this agreement is for five years beginning from January 1, 1987 and is automatically renewed for successive periods of five years unless otherwise terminated by either party with one year prior notice. As of the end of reporting period, the R.O.C. Government did not invoke such right.
- b. Under a Shareholders Agreement entered into with Philips and EDB Investments Pte Ltd. on March 30, 1999, the parties formed a joint venture company, SSMC, which is an integrated circuit foundry in Singapore. TSMC's equity interest in SSMC was 32%. Nevertheless, in September 2006, Philips spun-off its semiconductor subsidiary which was renamed as NXP B.V. Further, TSMC and NXP B.V. purchased all the SSMC shares owned by EDB Investments Pte Ltd. pro rata according to the Shareholders Agreement on November 15, 2006. After the purchase, TSMC and NXP B.V. currently own approximately 39% and 61% of the SSMC shares, respectively. TSMC and NXP B.V. are required, in the aggregate, to purchase at least 70% of SSMC's capacity, but TSMC alone is not required to purchase more than 28% of the capacity. If any party defaults on the commitment and the capacity utilization of SSMC falls below a specific percentage of its capacity, the defaulting party is required to compensate SSMC for all related unavoidable costs. There was no default from the aforementioned commitment as of the end of reporting period.
- c. In September 2022, Daedalus Prime LLC ("Daedalus") filed complaints in the U.S. International Trade Commission ("ITC") and the U.S. District Court for the Eastern District of Texas alleging that TSMC, TSMC North America, and other companies infringe four U.S. patents. The ITC instituted an investigation in October 2022. The outcome cannot be determined and we cannot make a reliable estimate of the contingent liability at this time.
- d. TSMC entered into long-term purchase agreements of materials and supplies and agreements of waste disposal with multiple suppliers. The relative minimum fulfillment quantity and price are specified in the agreements.
- e. TSMC entered into a long-term purchase agreement of equipment. The relative fulfillment quantity and price are specified in the agreement.
- f. TSMC entered into long-term energy purchase agreements with multiple suppliers. The relative fulfillment period, quantity and price are specified in the agreements.
- g. Amounts available under unused letters of credit as of September 30, 2022, December 31, 2021 and September 30, 2021 were NT\$238,309 thousand, NT\$136,710 thousand and NT\$137,648 thousand, respectively.
- h. The Company entrusted financial institutions to open performance guarantee mainly for import and export of goods, lease agreement and energy purchase agreement. As of September 30, 2022, December

31, 2021 and September 30, 2021, the aforementioned guarantee amounted to NT\$7,603,958 thousand, NT\$4,954,798 thousand, and NT\$5,668,250 thousand, respectively.

34. EXCHANGE RATE INFORMATION OF FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES

The following information was summarized according to the foreign currencies other than the functional currency of the Company. The exchange rates disclosed were used to translate the foreign currencies into the functional currency. The significant financial assets and liabilities denominated in foreign currencies were as follows:

| | Foreign Currencies (In Thousands) | Exchange Rate (Note 1) | Carrying Amount (In Thousands) |
|------------------------------|-----------------------------------------|---------------------------|--------------------------------------|
| <u>September 30, 2022</u> | | | |
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 12,210,697 | 31.766 | \$ 387,884,990 |
| USD | 712,465 | 7.093(Note 2) | 22,632,159 |
| EUR | 1,546 | 31.121 | 48,100 |
| EUR | 20,774 | 6.949(Note 3) | 646,523 |
| JPY | 93,019,566 | 0.2202 | 20,482,908 |
| JPY | 6,683,505 | 0.0492(Note 4) | 1,471,708 |
| <u>Financial liabilities</u> | | | |
| Monetary items | | | |
| USD | 14,953,889 | 31.766 | 475,025,231 |
| EUR | 1,180,147 | 31.121 | 36,727,345 |
| JPY | 93,842,663 | 0.2202 | 20,664,154 |
| JPY | 6,697,526 | 0.0492(Note 4) | 1,474,795 |
| <u>December 31, 2021</u> | | | |
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | 11,445,396 | 27.674 | 316,739,883 |
| USD | 2,023,233 | 6.379(Note 2) | 55,990,951 |
| EUR | 14,964 | 31.460 | 470,776 |
| EUR | 40,326 | 7.252(Note 3) | 1,268,665 |
| JPY | 10,921,880 | 0.2414 | 2,636,542 |
| <u>Financial liabilities</u> | | | |
| Monetary items | | | |
| USD | 11,958,503 | 27.674 | 330,939,620 |
| EUR | 3,539,320 | 31.460 | 111,347,020 |
| JPY | 112,456,908 | 0.2414 | 27,147,098 |

(Continued)

| | Foreign Currencies (In Thousands) | Exchange Rate (Note 1) | Carrying Amount (In Thousands) |
|---------------------------|--------------------------------------------------|-----------------------------------|-----------------------------------------------|
| <u>September 30, 2021</u> | | | |
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 9,582,823 | 27.864 | \$ 267,015,782 |
| USD | 1,772,067 | 6.463(Note 2) | 49,376,882 |
| EUR | 7,248 | 32.450 | 235,213 |
| JPY | 1,089,600 | 0.2499 | 272,291 |

Financial liabilities

| | | | |
|----------------|-------------|--------|---------------------------|
| Monetary items | | | |
| USD | 9,777,821 | 27.864 | 272,449,192 |
| EUR | 2,906,442 | 32.450 | 94,314,055 |
| JPY | 129,710,147 | 0.2499 | 32,414,566 (Concluded) |

Note 1: Except as otherwise noted, exchange rate represents the number of NT dollar for which one foreign currency could be exchanged.

Note 2: The exchange rate represents the number of RMB for which one U.S. dollar could be exchanged.

Note 3: The exchange rate represents the number of RMB for which one Euro could be exchanged.

Note 4: The exchange rate represents the number of RMB for which one Japanese yen could be exchanged.

Please refer to the consolidated statements of comprehensive income for the total of realized and unrealized foreign exchange gain and loss for the three months and the nine months ended September 30, 2022 and 2021, respectively. Since there were varieties of foreign currency transactions and functional currencies within the subsidiaries of the Company, the Company was unable to disclose foreign exchange gain (loss) towards each foreign currency with significant impact.

35. ADDITIONAL DISCLOSURES

Following are the additional disclosures required by the Securities and Futures Bureau for TSMC:

- a. Financings provided: See Table 1 attached;
- b. Endorsement/guarantee provided: See Table 2 attached;
- c. Marketable securities held (excluding investments in subsidiaries and associates): See Table 3 attached;
- d. Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: See Table 4 attached;
- e. Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: See Table 5 attached;
- f. Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None;

- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: See Table 6 attached;
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 7 attached;
- i. Information about the derivative financial instruments transaction: See Notes 7 and 10;
- j. Others: The business relationship between the parent and the subsidiaries and significant transactions between them: See Table 8 attached;
- k. Names, locations, and related information of investees over which TSMC exercises significant influence (excluding information on investment in mainland China): See Table 9 attached;
- l. Information on investment in mainland China
 - 1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: See Table 10 attached.
 - 2) Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports: See Table 8 attached.
- m. Information of major shareholders

List of all shareholders with ownership of 5 percent or greater showing the names and the number of shares and percentage of ownership held by each shareholder: See Table 11 attached.

36. OPERATING SEGMENTS INFORMATION

TSMC's chief operating decision makers periodically review operating results, focusing on operating income generated by foundry segment. Operating results are used for resource allocation and/or performance assessment. As a result, the Company has only one operating segment, the foundry segment. The foundry segment engages mainly in the manufacturing, sales, packaging, testing and computer-aided design of integrated circuits and other semiconductor devices and the manufacturing of masks.

The basis for the measurement of income from operations is the same as that for the preparation of financial statements. Please refer to the consolidated statements of comprehensive income for the related segment revenue and operating results.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

FINANCINGS PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

| No. | Financing Company | Counterparty | Financial Statement Account | Related Party | Maximum Balance for the Period (Foreign Currencies in Thousands) (Note 2) | Ending Balance (Foreign Currencies in Thousands) (Note 2) | Amount Actually Drawn (Foreign Currencies in Thousands) | Interest Rate | Nature for Financing | Transaction Amounts | Reason for Financing | Allowance for Bad Debt | Collateral | | Financing Limits for Each Borrowing Company (Note 1) | Financing Company's Total Financing Amount Limits (Note 1) |
|-----|-------------------|--------------|----------------------------------------|---------------|---------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------|---------------|-------------------------------------------------|---------------------|----------------------|------------------------|------------|-------|------------------------------------------------------|------------------------------------------------------------|
| | | | | | | | | | | | | | Item | Value | | |
| 1 | TSMC China | TSMC Nanjing | Other receivables from related parties | Yes | \$ 71,462,420 (RMB 7,800,000)& (US\$ 1,150,000) | \$ 71,462,420 (RMB 7,800,000)& (US\$ 1,150,000) | \$ 42,914,740 (RMB 7,100,000)& (US\$ 350,000) | 0.75%-1.50% | The need for short-term and long-term financing | \$ - | Operating capital | \$ - | - | \$ - | \$ 85,372,028 | \$ 85,372,028 |

Note 1: The aggregate amount available for lending to TSMC Nanjing from TSMC China shall not exceed the net worth of TSMC China.

Note 2: The maximum balance for the period and ending balance represent the amounts approved by the Board of Directors.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

| No. | Endorsement/ Guarantee Provider | Guaranteed Party | | Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Notes 1 and 2) | Maximum Balance for the Period (Foreign Currencies in Thousands) (Note 3) | Ending Balance (Foreign Currencies in Thousands) (Note 3) | Amount Actually Drawn (US\$ in Thousands) | Amount of Endorsement/ Guarantee Collateralized by Properties | Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements | Maximum Endorsement/ Guarantee Amount Allowable (Notes 1 and 2) | Guarantee Provided by Parent Company | Guarantee Provided by A Subsidiary | Guarantee Provided to Subsidiaries in Mainland China |
|-----|------------------------------------|-----------------------|----------------------------|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------|------------------------------------------------------------------|
| | | Name | Nature of Relationship | | | | | | | | | | |
| 0 | TSMC | TSMC North America | Subsidiary | \$ 684,493,577 | \$ 2,643,354 (US\$ 83,213) | \$ 2,643,354 (US\$ 83,213) | \$ 2,643,354 (US\$ 83,213) | \$ - | 0.10% | \$ 684,493,577 | Yes | No | No |
| | | TSMC Global | Subsidiary | 684,493,577 | 238,245,000 (US\$ 7,500,000) | 238,245,000 (US\$ 7,500,000) | 238,245,000 (US\$ 7,500,000) | - | 8.70% | 684,493,577 | Yes | No | No |
| | | TSMC Arizona | Subsidiary | 684,493,577 | 382,221,854 (US\$12,032,420) | 382,221,854 (US\$12,032,420) | 255,157,838 (US\$ 8,032,420) | - | 13.96% | 684,493,577 | Yes | No | No |
| 1 | TSMC Japan | TSMC JDC | The same parent company | 314,009 | 290,664 (JPY 1,320,000) | 290,664 (JPY 1,320,000) | 290,664 (JPY 1,320,000) | - | 0.01% | 314,009 | No | No | No |

Note 1: The total amount of the endorsement/guarantee provided by TSMC to TSMC North America, TSMC Global and TSMC Arizona shall not exceed twenty-five percent (25%) of TSMC's net worth.

Note 2: The total amount of the endorsement/guarantee provided by TSMC Japan to TSMC JDC shall not exceed two hundred and fifty percent (250%) of TSMC Japan's net worth.

Note 3: The maximum balance for the period and ending balance represent the amounts approved by the Board of Directors.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

MARKETABLE SECURITIES HELD

September 30, 2022

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

| Held Company Name | Marketable Securities Type and Name | Relationship with the Company | Financial Statement Account | September 30, 2022 | | | | Note |
|------------------------------------|-----------------------------------------------|-------------------------------|-------------------------------------------------------------------|--------------------------------|--------------------------------------------------------|--------------------------------|----------------------------------------------------|------|
| | | | | Shares/Units (In Thousands) | Carrying Value (Foreign Currencies in Thousands) | Percentage of Ownership (%) | Fair Value (Foreign Currencies in Thousands) | |
| TSMC | <u>Commercial paper</u> | | | | | | | |
| | Taiwan Power Company | - | Financial assets at amortized cost | 2,350 | \$ 23,392,427 | N/A | \$ 23,455,153 | |
| | CPC Corporation, Taiwan | - | " | 2,009 | 20,011,808 | N/A | 20,062,313 | |
| | <u>Non-publicly traded equity investments</u> | | | | | | | |
| | United Industrial Gases Co., Ltd. | - | Financial assets at fair value through other comprehensive income | 21,230 | 468,258 | 10 | 468,258 | |
| | Shin-Etsu Handotai Taiwan Co., Ltd. | - | " | 10,500 | 461,412 | 7 | 461,412 | |
| TSMC Partners | <u>Non-publicly traded equity investments</u> | | | | | | | |
| | Shanghai Walden Venture Capital Enterprise | - | Financial assets at fair value through other comprehensive income | - | US\$ 36,414 | 6 | US\$ 36,414 | |
| | China Walden Venture Investments II, L.P. | - | " | - | US\$ 19,603 | 9 | US\$ 19,603 | |
| | China Walden Venture Investments III, L.P. | - | " | - | US\$ 13,397 | 4 | US\$ 13,397 | |
| | Tela Innovations | - | " | 6,942 | - | 22 | - | |
| | Movella Inc. | - | " | 6,333 | - | 9 | - | |
| TSMC Global | <u>Corporate bond</u> | | | | | | | |
| | Morgan Stanley | - | Financial assets at fair value through other comprehensive income | - | US\$ 76,812 | N/A | US\$ 76,812 | |
| | Bank of America Corporation | - | " | - | US\$ 75,386 | N/A | US\$ 75,386 | |
| | Wells Fargo & Company | - | " | - | US\$ 58,829 | N/A | US\$ 58,829 | |
| | Citigroup Inc. | - | " | - | US\$ 56,384 | N/A | US\$ 56,384 | |
| | The Goldman Sachs Group, Inc. | - | " | - | US\$ 49,532 | N/A | US\$ 49,532 | |
| | JPMorgan Chase & Co. | - | " | - | US\$ 45,415 | N/A | US\$ 45,415 | |
| | Mitsubishi UFJ Financial Group, Inc. | - | " | - | US\$ 32,568 | N/A | US\$ 32,568 | |
| | AbbVie Inc. | - | " | - | US\$ 28,393 | N/A | US\$ 28,393 | |
| | Sumitomo Mitsui Financial Group, Inc. | - | " | - | US\$ 27,427 | N/A | US\$ 27,427 | |
| | HSBC Holdings plc | - | " | - | US\$ 26,429 | N/A | US\$ 26,429 | |
| | Banco Santander, S.A. | - | " | - | US\$ 25,925 | N/A | US\$ 25,925 | |
| | Metropolitan Life Global Funding I | - | " | - | US\$ 24,226 | N/A | US\$ 24,226 | |
| | Athene Global Funding | - | " | - | US\$ 23,051 | N/A | US\$ 23,051 | |
| | The Toronto-Dominion Bank | - | " | - | US\$ 19,252 | N/A | US\$ 19,252 | |
| | BNP Paribas SA | - | " | - | US\$ 18,654 | N/A | US\$ 18,654 | |
| | Nordea Bank Abp | - | " | - | US\$ 18,095 | N/A | US\$ 18,095 | |
| | Fédération des caisses Desjardins du Québec | - | " | - | US\$ 17,934 | N/A | US\$ 17,934 | |
| | Sumitomo Mitsui Trust Bank, Limited | - | " | - | US\$ 17,030 | N/A | US\$ 17,030 | |
| | Hyundai Capital America, Inc. | - | " | - | US\$ 16,326 | N/A | US\$ 16,326 | |
| Guardian Life Global Funding | - | " | - | US\$ 16,234 | N/A | US\$ 16,234 | | |
| Mizuho Financial Group, Inc. | - | " | - | US\$ 15,982 | N/A | US\$ 15,982 | | |
| Principal Life Global Funding II | - | " | - | US\$ 15,918 | N/A | US\$ 15,918 | | |
| Deutsche Bank AG - New York Branch | - | " | - | US\$ 15,817 | N/A | US\$ 15,817 | | |

(Continued)

| Held Company Name | Marketable Securities Type and Name | Relationship with the Company | Financial Statement Account | September 30, 2022 | | | | Note |
|-------------------|-------------------------------------------------------|-------------------------------|-------------------------------------------------------------------|--------------------------------|--------------------------------------------------------|--------------------------------|----------------------------------------------------|------|
| | | | | Shares/Units (In Thousands) | Carrying Value (Foreign Currencies in Thousands) | Percentage of Ownership (%) | Fair Value (Foreign Currencies in Thousands) | |
| TSMC Global | Lloyds Banking Group plc | - | Financial assets at fair value through other comprehensive income | - | US\$ 15,739 | N/A | US\$ 15,739 | |
| | Volkswagen Group of America Finance, LLC | - | " | - | US\$ 15,438 | N/A | US\$ 15,438 | |
| | Oracle Corporation | - | " | - | US\$ 15,299 | N/A | US\$ 15,299 | |
| | Nationwide Building Society | - | " | - | US\$ 15,133 | N/A | US\$ 15,133 | |
| | NatWest Markets Plc | - | " | - | US\$ 15,124 | N/A | US\$ 15,124 | |
| | Bank of Montreal | - | " | - | US\$ 14,981 | N/A | US\$ 14,981 | |
| | Royal Bank of Canada | - | " | - | US\$ 14,642 | N/A | US\$ 14,642 | |
| | BPCE SA | - | " | - | US\$ 14,521 | N/A | US\$ 14,521 | |
| | Credit Suisse AG, New York Branch | - | " | - | US\$ 14,517 | N/A | US\$ 14,517 | |
| | Capital One Financial Corporation | - | " | - | US\$ 13,936 | N/A | US\$ 13,936 | |
| | ING Groep N.V. | - | " | - | US\$ 13,805 | N/A | US\$ 13,805 | |
| | NTT Finance Corporation | - | " | - | US\$ 13,614 | N/A | US\$ 13,614 | |
| | Svenska Handelsbanken AB (publ) | - | " | - | US\$ 13,400 | N/A | US\$ 13,400 | |
| | Société Générale Société anonyme | - | " | - | US\$ 13,110 | N/A | US\$ 13,110 | |
| | The Bank of Nova Scotia | - | " | - | US\$ 12,744 | N/A | US\$ 12,744 | |
| | Standard Chartered PLC | - | " | - | US\$ 12,568 | N/A | US\$ 12,568 | |
| | Protective Life Global Funding | - | " | - | US\$ 12,436 | N/A | US\$ 12,436 | |
| | Apple Inc. | - | " | - | US\$ 12,184 | N/A | US\$ 12,184 | |
| | Macquarie Group Limited | - | " | - | US\$ 11,898 | N/A | US\$ 11,898 | |
| | Toyota Motor Credit Corporation | - | " | - | US\$ 11,535 | N/A | US\$ 11,535 | |
| | UBS Group AG | - | " | - | US\$ 11,299 | N/A | US\$ 11,299 | |
| | Equitable Financial Life Global Funding | - | " | - | US\$ 11,251 | N/A | US\$ 11,251 | |
| | Banque Fédérative du Crédit Mutuel Société anonyme | - | " | - | US\$ 11,126 | N/A | US\$ 11,126 | |
| | National Securities Clearing Corporation | - | " | - | US\$ 10,810 | N/A | US\$ 10,810 | |
| | Barclays PLC | - | " | - | US\$ 10,737 | N/A | US\$ 10,737 | |
| | AT&T Inc. | - | " | - | US\$ 10,383 | N/A | US\$ 10,383 | |
| | S&P Global Inc. | - | " | - | US\$ 10,082 | N/A | US\$ 10,082 | |
| | Nomura Holdings, Inc. | - | " | - | US\$ 10,014 | N/A | US\$ 10,014 | |
| | Verizon Communications Inc. | - | " | - | US\$ 9,578 | N/A | US\$ 9,578 | |
| | Citizens Bank, National Association | - | " | - | US\$ 9,262 | N/A | US\$ 9,262 | |
| | Credit Agricole SA London Branch | - | " | - | US\$ 9,125 | N/A | US\$ 9,125 | |
| | U.S. Bancorp | - | " | - | US\$ 9,006 | N/A | US\$ 9,006 | |
| | Roper Technologies, Inc. | - | " | - | US\$ 8,933 | N/A | US\$ 8,933 | |
| | Equifax Inc. | - | " | - | US\$ 8,839 | N/A | US\$ 8,839 | |
| | Amazon.com, Inc. | - | " | - | US\$ 8,761 | N/A | US\$ 8,761 | |
| | Equinor ASA | - | " | - | US\$ 8,757 | N/A | US\$ 8,757 | |
| | Santander UK Group Holdings plc | - | " | - | US\$ 8,519 | N/A | US\$ 8,519 | |
| | Merck & Co., Inc. | - | " | - | US\$ 8,518 | N/A | US\$ 8,518 | |
| | Bristol-Myers Squibb Company | - | " | - | US\$ 8,418 | N/A | US\$ 8,418 | |
| | New York Life Global Funding | - | " | - | US\$ 8,156 | N/A | US\$ 8,156 | |
| | Enel Finance International N.V. | - | " | - | US\$ 8,151 | N/A | US\$ 8,151 | |
| | GSK Consumer Healthcare Capital US LLC | - | " | - | US\$ 8,145 | N/A | US\$ 8,145 | |
| | AIG Global Funding | - | " | - | US\$ 8,119 | N/A | US\$ 8,119 | |
| | American Express Company | - | " | - | US\$ 7,908 | N/A | US\$ 7,908 | |
| | Truist Financial Corporation | - | " | - | US\$ 7,711 | N/A | US\$ 7,711 | |
| | International Bank for Reconstruction and Development | - | " | - | US\$ 7,624 | N/A | US\$ 7,624 | |
| | KfW | - | " | - | US\$ 7,523 | N/A | US\$ 7,523 | |
| | Canadian Imperial Bank of Commerce | - | " | - | US\$ 7,406 | N/A | US\$ 7,406 | |
| | AstraZeneca Finance LLC | - | " | - | US\$ 7,389 | N/A | US\$ 7,389 | |

(Continued)

| Held Company Name | Marketable Securities Type and Name | Relationship with the Company | Financial Statement Account | September 30, 2022 | | | | Note |
|-------------------|----------------------------------------------|-------------------------------|-------------------------------------------------------------------|--------------------------------|--------------------------------------------------------|--------------------------------|----------------------------------------------------|------|
| | | | | Shares/Units (In Thousands) | Carrying Value (Foreign Currencies in Thousands) | Percentage of Ownership (%) | Fair Value (Foreign Currencies in Thousands) | |
| TSMC Global | UnitedHealth Group Incorporated | - | Financial assets at fair value through other comprehensive income | - | US\$ 7,387 | N/A | US\$ 7,387 | |
| | Inter-American Development Bank | - | " | - | US\$ 7,320 | N/A | US\$ 7,320 | |
| | Suncorp-Metway Limited | - | " | - | US\$ 7,297 | N/A | US\$ 7,297 | |
| | Great-West Lifeco U.S. Finance 2020, Lp | - | " | - | US\$ 7,209 | N/A | US\$ 7,209 | |
| | Northwestern Mutual Global Funding | - | " | - | US\$ 6,802 | N/A | US\$ 6,802 | |
| | Chevron Corporation | - | " | - | US\$ 6,792 | N/A | US\$ 6,792 | |
| | Fidelity National Information Services, Inc. | - | " | - | US\$ 6,536 | N/A | US\$ 6,536 | |
| | Prudential Funding Corp. | - | " | - | US\$ 6,496 | N/A | US\$ 6,496 | |
| | John Deere Capital Corporation | - | " | - | US\$ 6,400 | N/A | US\$ 6,400 | |
| | AstraZeneca PLC | - | " | - | US\$ 6,400 | N/A | US\$ 6,400 | |
| | Cargill, Incorporated | - | " | - | US\$ 6,342 | N/A | US\$ 6,342 | |
| | Intuit Inc. | - | " | - | US\$ 6,307 | N/A | US\$ 6,307 | |
| | Fifth Third Bancorp | - | " | - | US\$ 6,268 | N/A | US\$ 6,268 | |
| | Roche Holdings, Inc. | - | " | - | US\$ 6,262 | N/A | US\$ 6,262 | |
| | Jackson National Life Global Funding | - | " | - | US\$ 6,252 | N/A | US\$ 6,252 | |
| | Daimler Trucks Finance North America LLC | - | " | - | US\$ 6,247 | N/A | US\$ 6,247 | |
| | Montpelier Re Holdings Ltd. | - | " | - | US\$ 6,194 | N/A | US\$ 6,194 | |
| | Danske Bank A/S | - | " | - | US\$ 6,108 | N/A | US\$ 6,108 | |
| | Ameren Corporation | - | " | - | US\$ 5,863 | N/A | US\$ 5,863 | |
| | Discover Bank (New Castle, Delaware) | - | " | - | US\$ 5,840 | N/A | US\$ 5,840 | |
| | Huntington Bancshares Incorporated | - | " | - | US\$ 5,836 | N/A | US\$ 5,836 | |
| | Exxon Mobil Corporation | - | " | - | US\$ 5,739 | N/A | US\$ 5,739 | |
| | Swedbank AB (publ) | - | " | - | US\$ 5,698 | N/A | US\$ 5,698 | |
| | Fox Corporation | - | " | - | US\$ 5,621 | N/A | US\$ 5,621 | |
| | ANZ New Zealand (Int'l) Limited | - | " | - | US\$ 5,592 | N/A | US\$ 5,592 | |
| | Exelon Corporation | - | " | - | US\$ 5,524 | N/A | US\$ 5,524 | |
| | Macquarie Bank Limited | - | " | - | US\$ 5,517 | N/A | US\$ 5,517 | |
| | Take-Two Interactive Software, Inc. | - | " | - | US\$ 5,494 | N/A | US\$ 5,494 | |
| | Scentre Group Trust 1 | - | " | - | US\$ 5,490 | N/A | US\$ 5,490 | |
| | WPP Finance 2010 | - | " | - | US\$ 5,472 | N/A | US\$ 5,472 | |
| | Huntington National Bank | - | " | - | US\$ 5,417 | N/A | US\$ 5,417 | |
| | WEC Energy Group, Inc. | - | " | - | US\$ 5,383 | N/A | US\$ 5,383 | |
| | Intercontinental Exchange, Inc. | - | " | - | US\$ 5,327 | N/A | US\$ 5,327 | |
| | UBS AG, London Branch | - | " | - | US\$ 5,326 | N/A | US\$ 5,326 | |
| | Pacific Life Global Funding II | - | " | - | US\$ 5,311 | N/A | US\$ 5,311 | |
| | The Charles Schwab Corporation | - | " | - | US\$ 5,253 | N/A | US\$ 5,253 | |
| | Alabama Power Company | - | " | - | US\$ 5,228 | N/A | US\$ 5,228 | |
| | Siemens Financieringsmaatschappij N.V. | - | " | - | US\$ 5,218 | N/A | US\$ 5,218 | |
| | ASB Bank Limited | - | " | - | US\$ 5,195 | N/A | US\$ 5,195 | |
| | Pioneer Natural Resources Company | - | " | - | US\$ 5,174 | N/A | US\$ 5,174 | |
| | Cox Communications, Inc. | - | " | - | US\$ 5,108 | N/A | US\$ 5,108 | |
| | Intel Corporation | - | " | - | US\$ 4,973 | N/A | US\$ 4,973 | |
| | Lowe's Companies, Inc. | - | " | - | US\$ 4,968 | N/A | US\$ 4,968 | |
| | Fiserv, Inc. | - | " | - | US\$ 4,953 | N/A | US\$ 4,953 | |
| | Five Corners Funding Trust | - | " | - | US\$ 4,951 | N/A | US\$ 4,951 | |
| | CVS Health Corporation | - | " | - | US\$ 4,725 | N/A | US\$ 4,725 | |
| | CGI Inc. | - | " | - | US\$ 4,617 | N/A | US\$ 4,617 | |
| | Thermo Fisher Scientific Inc. | - | " | - | US\$ 4,565 | N/A | US\$ 4,565 | |
| | Brookfield Finance Inc. | - | " | - | US\$ 4,506 | N/A | US\$ 4,506 | |

(Continued)

| Held Company Name | Marketable Securities Type and Name | Relationship with the Company | Financial Statement Account | September 30, 2022 | | | | Note |
|-------------------|--------------------------------------------------|-------------------------------|-------------------------------------------------------------------|--------------------------------|--------------------------------------------------------|--------------------------------|----------------------------------------------------|------|
| | | | | Shares/Units (In Thousands) | Carrying Value (Foreign Currencies in Thousands) | Percentage of Ownership (%) | Fair Value (Foreign Currencies in Thousands) | |
| TSMC Global | Eversource Energy | - | Financial assets at fair value through other comprehensive income | - | US\$ 4,451 | N/A | US\$ 4,451 | |
| | Virginia Electric and Power Company | - | " | - | US\$ 4,430 | N/A | US\$ 4,430 | |
| | DNB Bank ASA | - | " | - | US\$ 4,379 | N/A | US\$ 4,379 | |
| | NextEra Energy Capital Holdings, Inc. | - | " | - | US\$ 4,371 | N/A | US\$ 4,371 | |
| | W. P. Carey Inc. | - | " | - | US\$ 4,348 | N/A | US\$ 4,348 | |
| | HP Inc. | - | " | - | US\$ 4,313 | N/A | US\$ 4,313 | |
| | CenterPoint Energy, Inc. | - | " | - | US\$ 4,290 | N/A | US\$ 4,290 | |
| | Penske Truck Leasing Co., L.P. | - | " | - | US\$ 4,228 | N/A | US\$ 4,228 | |
| | Bank of New Zealand | - | " | - | US\$ 4,221 | N/A | US\$ 4,221 | |
| | Comcast Corporation | - | " | - | US\$ 4,215 | N/A | US\$ 4,215 | |
| | Mercedes-Benz Finance North America LLC | - | " | - | US\$ 4,072 | N/A | US\$ 4,072 | |
| | Brighthouse Financial Global Funding | - | " | - | US\$ 4,048 | N/A | US\$ 4,048 | |
| | Florida Power & Light Company | - | " | - | US\$ 4,023 | N/A | US\$ 4,023 | |
| | Korea Electric Power Corporation | - | " | - | US\$ 3,994 | N/A | US\$ 3,994 | |
| | Credit Suisse Group Funding (Guernsey) Limited | - | " | - | US\$ 3,993 | N/A | US\$ 3,993 | |
| | Dollar General Corporation | - | " | - | US\$ 3,993 | N/A | US\$ 3,993 | |
| | F&G Global Funding | - | " | - | US\$ 3,960 | N/A | US\$ 3,960 | |
| | 7-Eleven, Inc. | - | " | - | US\$ 3,946 | N/A | US\$ 3,946 | |
| | Element Fleet Management Corp. | - | " | - | US\$ 3,858 | N/A | US\$ 3,858 | |
| | The Bank of New York Mellon Corporation | - | " | - | US\$ 3,857 | N/A | US\$ 3,857 | |
| | AvalonBay Communities, Inc. | - | " | - | US\$ 3,809 | N/A | US\$ 3,809 | |
| | CNO Global Funding | - | " | - | US\$ 3,806 | N/A | US\$ 3,806 | |
| | Coca-Cola Europacific Partners PLC | - | " | - | US\$ 3,804 | N/A | US\$ 3,804 | |
| | European Bank for Reconstruction and Development | - | " | - | US\$ 3,798 | N/A | US\$ 3,798 | |
| | Mondelez International, Inc. | - | " | - | US\$ 3,671 | N/A | US\$ 3,671 | |
| | Sprint Spectrum Co Llc | - | " | - | US\$ 3,608 | N/A | US\$ 3,608 | |
| | Appalachian Power Company | - | " | - | US\$ 3,605 | N/A | US\$ 3,605 | |
| | B.A.T. International Finance p.l.c. | - | " | - | US\$ 3,542 | N/A | US\$ 3,542 | |
| | V.F. Corporation | - | " | - | US\$ 3,484 | N/A | US\$ 3,484 | |
| | Public Storage | - | " | - | US\$ 3,444 | N/A | US\$ 3,444 | |
| | Monongahela Power Company | - | " | - | US\$ 3,404 | N/A | US\$ 3,404 | |
| | BorgWarner Inc. | - | " | - | US\$ 3,399 | N/A | US\$ 3,399 | |
| | Ryder System, Inc. | - | " | - | US\$ 3,393 | N/A | US\$ 3,393 | |
| | Welltower Inc. | - | " | - | US\$ 3,391 | N/A | US\$ 3,391 | |
| | Public Service Electric and Gas Company | - | " | - | US\$ 3,367 | N/A | US\$ 3,367 | |
| | Truist Bank | - | " | - | US\$ 3,365 | N/A | US\$ 3,365 | |
| | OGE Energy Corp. | - | " | - | US\$ 3,358 | N/A | US\$ 3,358 | |
| | HSBC Bank Canada | - | " | - | US\$ 3,329 | N/A | US\$ 3,329 | |
| | Kimco Realty Corporation | - | " | - | US\$ 3,317 | N/A | US\$ 3,317 | |
| | Diageo Capital plc | - | " | - | US\$ 3,309 | N/A | US\$ 3,309 | |
| | Ross Stores, Inc. | - | " | - | US\$ 3,267 | N/A | US\$ 3,267 | |
| | U.S. Bancorp. | - | " | - | US\$ 3,185 | N/A | US\$ 3,185 | |
| | SMBC Aviation Capital Finance DAC | - | " | - | US\$ 3,181 | N/A | US\$ 3,181 | |
| | Highmark Inc. | - | " | - | US\$ 3,173 | N/A | US\$ 3,173 | |
| | Credit Suisse Group AG | - | " | - | US\$ 3,165 | N/A | US\$ 3,165 | |
| | Dominion Energy, Inc. | - | " | - | US\$ 3,165 | N/A | US\$ 3,165 | |
| | Pfizer Inc. | - | " | - | US\$ 3,150 | N/A | US\$ 3,150 | |
| | Verisk Analytics, Inc. | - | " | - | US\$ 3,146 | N/A | US\$ 3,146 | |
| | Realty Income Corporation | - | " | - | US\$ 3,121 | N/A | US\$ 3,121 | |

(Continued)

| Held Company Name | Marketable Securities Type and Name | Relationship with the Company | Financial Statement Account | September 30, 2022 | | | | Note |
|-------------------|--------------------------------------------------|-------------------------------|-------------------------------------------------------------------|--------------------------------|--------------------------------------------------------|--------------------------------|----------------------------------------------------|------|
| | | | | Shares/Units (In Thousands) | Carrying Value (Foreign Currencies in Thousands) | Percentage of Ownership (%) | Fair Value (Foreign Currencies in Thousands) | |
| TSMC Global | ERAC USA Finance LLC | - | Financial assets at fair value through other comprehensive income | - | US\$ 3,077 | N/A | US\$ 3,077 | |
| | Anheuser-Busch Companies, LLC | - | " | - | US\$ 3,025 | N/A | US\$ 3,025 | |
| | Xcel Energy Inc. | - | " | - | US\$ 3,023 | N/A | US\$ 3,023 | |
| | ONE Gas, Inc. | - | " | - | US\$ 3,009 | N/A | US\$ 3,009 | |
| | Simon Property Group, L.P. | - | " | - | US\$ 2,957 | N/A | US\$ 2,957 | |
| | Gilead Sciences, Inc. | - | " | - | US\$ 2,949 | N/A | US\$ 2,949 | |
| | CNA Financial Corporation | - | " | - | US\$ 2,946 | N/A | US\$ 2,946 | |
| | The Western Union Company | - | " | - | US\$ 2,943 | N/A | US\$ 2,943 | |
| | Oncor Electric Delivery Company LLC | - | " | - | US\$ 2,908 | N/A | US\$ 2,908 | |
| | MPLX LP | - | " | - | US\$ 2,906 | N/A | US\$ 2,906 | |
| | Rio Tinto Finance (USA) Limited | - | " | - | US\$ 2,877 | N/A | US\$ 2,877 | |
| | Atmos Energy Corporation | - | " | - | US\$ 2,870 | N/A | US\$ 2,870 | |
| | Johnson & Johnson | - | " | - | US\$ 2,860 | N/A | US\$ 2,860 | |
| | Nestlé Holdings, Inc. | - | " | - | US\$ 2,858 | N/A | US\$ 2,858 | |
| | Avangrid, Inc. | - | " | - | US\$ 2,849 | N/A | US\$ 2,849 | |
| | Air Lease Corporation | - | " | - | US\$ 2,837 | N/A | US\$ 2,837 | |
| | Southern California Gas Company | - | " | - | US\$ 2,824 | N/A | US\$ 2,824 | |
| | National Bank of Canada | - | " | - | US\$ 2,819 | N/A | US\$ 2,819 | |
| | TORONTO-DOMINION BANK/THE | - | " | - | US\$ 2,751 | N/A | US\$ 2,751 | |
| | Coöperatieve Rabobank U.A. | - | " | - | US\$ 2,730 | N/A | US\$ 2,730 | |
| | PPL Electric Utilities Corporation | - | " | - | US\$ 2,722 | N/A | US\$ 2,722 | |
| | Parker-Hannifin Corporation | - | " | - | US\$ 2,721 | N/A | US\$ 2,721 | |
| | Baxalta Incorporated | - | " | - | US\$ 2,720 | N/A | US\$ 2,720 | |
| | Phillips 66 | - | " | - | US\$ 2,699 | N/A | US\$ 2,699 | |
| | Novartis Capital Corporation | - | " | - | US\$ 2,694 | N/A | US\$ 2,694 | |
| | Amazon.com, Inc | - | " | - | US\$ 2,677 | N/A | US\$ 2,677 | |
| | Ameriprise Financial, Inc. | - | " | - | US\$ 2,665 | N/A | US\$ 2,665 | |
| | B.A.T Capital Corporation | - | " | - | US\$ 2,634 | N/A | US\$ 2,634 | |
| | Hewlett Packard Enterprise Company | - | " | - | US\$ 2,628 | N/A | US\$ 2,628 | |
| | Eastern Energy Gas Holdings, LLC | - | " | - | US\$ 2,606 | N/A | US\$ 2,606 | |
| | Ventas Realty, Limited Partnership | - | " | - | US\$ 2,589 | N/A | US\$ 2,589 | |
| | Chevron Phillips Chemical Company LLC | - | " | - | US\$ 2,571 | N/A | US\$ 2,571 | |
| | Mondelez International Holdings Netherlands B.V. | - | " | - | US\$ 2,555 | N/A | US\$ 2,555 | |
| | Public Service Enterprise Group Incorporated | - | " | - | US\$ 2,546 | N/A | US\$ 2,546 | |
| | Masco Corporation | - | " | - | US\$ 2,468 | N/A | US\$ 2,468 | |
| | GA Global Funding Trust | - | " | - | US\$ 2,462 | N/A | US\$ 2,462 | |
| | NBN Co Limited | - | " | - | US\$ 2,442 | N/A | US\$ 2,442 | |
| | Nuveen Finance, LLC | - | " | - | US\$ 2,432 | N/A | US\$ 2,432 | |
| | Baxter International Inc. | - | " | - | US\$ 2,430 | N/A | US\$ 2,430 | |
| | International Business Machines Corporation | - | " | - | US\$ 2,426 | N/A | US\$ 2,426 | |
| | M&T Bank Corporation | - | " | - | US\$ 2,424 | N/A | US\$ 2,424 | |
| | The PNC Financial Services Group, Inc. | - | " | - | US\$ 2,417 | N/A | US\$ 2,417 | |
| | Air Products and Chemicals, Inc. | - | " | - | US\$ 2,414 | N/A | US\$ 2,414 | |
| | Santander UK plc | - | " | - | US\$ 2,412 | N/A | US\$ 2,412 | |
| | Cigna Corporation | - | " | - | US\$ 2,411 | N/A | US\$ 2,411 | |
| | CRH America, Inc. | - | " | - | US\$ 2,364 | N/A | US\$ 2,364 | |
| | Pinnacle West Capital Corporation | - | " | - | US\$ 2,362 | N/A | US\$ 2,362 | |
| | AutoZone, Inc. | - | " | - | US\$ 2,359 | N/A | US\$ 2,359 | |
| | Bayer US Finance II LLC | - | " | - | US\$ 2,354 | N/A | US\$ 2,354 | |

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| Held Company Name | Marketable Securities Type and Name | Relationship with the Company | Financial Statement Account | September 30, 2022 | | | | Note |
|-------------------|--------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------|--------------------------------|--------------------------------------------------------|--------------------------------|----------------------------------------------------|------|
| | | | | Shares/Units (In Thousands) | Carrying Value (Foreign Currencies in Thousands) | Percentage of Ownership (%) | Fair Value (Foreign Currencies in Thousands) | |
| TSMC Global | Southern California Edison Company | - | Financial assets at fair value through other comprehensive income | - | US\$ 2,349 | N/A | US\$ 2,349 | |
| | CMS Energy Corporation | - | " | - | US\$ 2,339 | N/A | US\$ 2,339 | |
| | Workday, Inc. | - | " | - | US\$ 2,312 | N/A | US\$ 2,312 | |
| | American Electric Power Company, Inc. | - | " | - | US\$ 2,300 | N/A | US\$ 2,300 | |
| | Magellan Midstream Partners, L.P. | - | " | - | US\$ 2,276 | N/A | US\$ 2,276 | |
| | Georgia Power Company | - | " | - | US\$ 2,265 | N/A | US\$ 2,265 | |
| | Texas Instruments Incorporated | - | " | - | US\$ 2,259 | N/A | US\$ 2,259 | |
| | Shire Acquisitions Investments Ireland Designated Activity Company | - | " | - | US\$ 2,257 | N/A | US\$ 2,257 | |
| | Chevron U.S.A. Inc. | - | " | - | US\$ 2,242 | N/A | US\$ 2,242 | |
| | USAA Capital Corp. | - | " | - | US\$ 2,230 | N/A | US\$ 2,230 | |
| | O'Reilly Automotive, Inc. | - | " | - | US\$ 2,221 | N/A | US\$ 2,221 | |
| | Reynolds American Inc. | - | " | - | US\$ 2,218 | N/A | US\$ 2,218 | |
| | BOC Aviation Limited | - | " | - | US\$ 2,217 | N/A | US\$ 2,217 | |
| | Yara International ASA | - | " | - | US\$ 2,208 | N/A | US\$ 2,208 | |
| | RGA Global Funding | - | " | - | US\$ 2,207 | N/A | US\$ 2,207 | |
| | Crédit Agricole S.A. | - | " | - | US\$ 2,203 | N/A | US\$ 2,203 | |
| | National Australia Bank - New York Branch | - | " | - | US\$ 2,194 | N/A | US\$ 2,194 | |
| | NiSource Inc. | - | " | - | US\$ 2,149 | N/A | US\$ 2,149 | |
| | Berkshire Hathaway Inc. | - | " | - | US\$ 2,139 | N/A | US\$ 2,139 | |
| | Empower Finance 2020, LP | - | " | - | US\$ 2,104 | N/A | US\$ 2,104 | |
| | CNH Industrial Capital LLC | - | " | - | US\$ 2,081 | N/A | US\$ 2,081 | |
| | Union Pacific Corporation | - | " | - | US\$ 2,070 | N/A | US\$ 2,070 | |
| | Health Care Service Corporation, a Mutual Legal Reserve Company | - | " | - | US\$ 2,044 | N/A | US\$ 2,044 | |
| | DTE Energy Company | - | " | - | US\$ 2,029 | N/A | US\$ 2,029 | |
| | Georgia-Pacific LLC | - | " | - | US\$ 2,015 | N/A | US\$ 2,015 | |
| | Baidu, Inc. | - | " | - | US\$ 1,997 | N/A | US\$ 1,997 | |
| | The East Ohio Gas Company | - | " | - | US\$ 1,992 | N/A | US\$ 1,992 | |
| | General Electric Company | - | " | - | US\$ 1,983 | N/A | US\$ 1,983 | |
| | Mead Johnson Nutrition Company | - | " | - | US\$ 1,959 | N/A | US\$ 1,959 | |
| | Amphenol Corporation | - | " | - | US\$ 1,955 | N/A | US\$ 1,955 | |
| | The Sherwin-Williams Company | - | " | - | US\$ 1,951 | N/A | US\$ 1,951 | |
| | Reliance Standard Life Global Funding II | - | " | - | US\$ 1,947 | N/A | US\$ 1,947 | |
| | Magna International Inc. | - | " | - | US\$ 1,946 | N/A | US\$ 1,946 | |
| | Tucson Electric Power Company | - | " | - | US\$ 1,918 | N/A | US\$ 1,918 | |
| | Gulf Power Company | - | " | - | US\$ 1,862 | N/A | US\$ 1,862 | |
| | Olympus Corporation | - | " | - | US\$ 1,848 | N/A | US\$ 1,848 | |
| | Otis Worldwide Corporation | - | " | - | US\$ 1,836 | N/A | US\$ 1,836 | |
| | Shinhan Financial Group Co., Ltd. | - | " | - | US\$ 1,780 | N/A | US\$ 1,780 | |
| | Kinder Morgan, Inc. | - | " | - | US\$ 1,772 | N/A | US\$ 1,772 | |
| | DuPont de Nemours, Inc. | - | " | - | US\$ 1,740 | N/A | US\$ 1,740 | |
| | Mitsubishi Corporation | - | " | - | US\$ 1,733 | N/A | US\$ 1,733 | |
| | Sydney Airport Finance Company Pty Ltd | - | " | - | US\$ 1,720 | N/A | US\$ 1,720 | |
| | Caterpillar Financial Services Corporation | - | " | - | US\$ 1,718 | N/A | US\$ 1,718 | |
| | NBK SPC Limited | - | " | - | US\$ 1,714 | N/A | US\$ 1,714 | |
| | Kentucky Utilities Company | - | " | - | US\$ 1,713 | N/A | US\$ 1,713 | |
| | Wipro IT Services LLC | - | " | - | US\$ 1,662 | N/A | US\$ 1,662 | |
| | Evergy Kansas Central, Inc. | - | " | - | US\$ 1,658 | N/A | US\$ 1,658 | |
| | Infor, Inc. | - | " | - | US\$ 1,655 | N/A | US\$ 1,655 | |

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| Held Company Name | Marketable Securities Type and Name | Relationship with the Company | Financial Statement Account | September 30, 2022 | | | | Note |
|-------------------|----------------------------------------------------------|-------------------------------|-------------------------------------------------------------------|--------------------------------|--------------------------------------------------------|--------------------------------|----------------------------------------------------|------|
| | | | | Shares/Units (In Thousands) | Carrying Value (Foreign Currencies in Thousands) | Percentage of Ownership (%) | Fair Value (Foreign Currencies in Thousands) | |
| TSMC Global | Enbridge Inc. | - | Financial assets at fair value through other comprehensive income | - | US\$ 1,652 | N/A | US\$ 1,652 | |
| | Tyson Foods, Inc. | - | " | - | US\$ 1,619 | N/A | US\$ 1,619 | |
| | Quest Diagnostics Incorporated | - | " | - | US\$ 1,599 | N/A | US\$ 1,599 | |
| | Gulfstream Natural Gas System, L.L.C. | - | " | - | US\$ 1,598 | N/A | US\$ 1,598 | |
| | Burlington Northern Santa Fe, LLC | - | " | - | US\$ 1,592 | N/A | US\$ 1,592 | |
| | Berkshire Hathaway Energy Company | - | " | - | US\$ 1,575 | N/A | US\$ 1,575 | |
| | Raytheon Technologies Corporation | - | " | - | US\$ 1,575 | N/A | US\$ 1,575 | |
| | University of California | - | " | - | US\$ 1,568 | N/A | US\$ 1,568 | |
| | CSL Finance plc | - | " | - | US\$ 1,563 | N/A | US\$ 1,563 | |
| | NatWest Group plc | - | " | - | US\$ 1,557 | N/A | US\$ 1,557 | |
| | Walmart Inc. | - | " | - | US\$ 1,548 | N/A | US\$ 1,548 | |
| | Midwest Connector Capital Company LLC | - | " | - | US\$ 1,545 | N/A | US\$ 1,545 | |
| | eBay Inc. | - | " | - | US\$ 1,515 | N/A | US\$ 1,515 | |
| | UBS AG (LONDON BRANCH) | - | " | - | US\$ 1,508 | N/A | US\$ 1,508 | |
| | MetLife, Inc. | - | " | - | US\$ 1,505 | N/A | US\$ 1,505 | |
| | KEB Hana Bank | - | " | - | US\$ 1,500 | N/A | US\$ 1,500 | |
| | Elevance Health Inc. | - | " | - | US\$ 1,497 | N/A | US\$ 1,497 | |
| | Emerson Electric Co. | - | " | - | US\$ 1,495 | N/A | US\$ 1,495 | |
| | Westpac Banking Corporation | - | " | - | US\$ 1,494 | N/A | US\$ 1,494 | |
| | Glencore Funding LLC | - | " | - | US\$ 1,483 | N/A | US\$ 1,483 | |
| | APA Infrastructure Limited | - | " | - | US\$ 1,476 | N/A | US\$ 1,476 | |
| | Brookfield Finance LLC | - | " | - | US\$ 1,473 | N/A | US\$ 1,473 | |
| | CK Hutchison International (19) Limited | - | " | - | US\$ 1,466 | N/A | US\$ 1,466 | |
| | Commonwealth Bank of Australia | - | " | - | US\$ 1,454 | N/A | US\$ 1,454 | |
| | Microchip Technology Incorporated | - | " | - | US\$ 1,452 | N/A | US\$ 1,452 | |
| | Amcor Flexibles North America Inc. | - | " | - | US\$ 1,448 | N/A | US\$ 1,448 | |
| | NSTAR Electric Company | - | " | - | US\$ 1,431 | N/A | US\$ 1,431 | |
| | Marsh & McLennan Companies, Inc. | - | " | - | US\$ 1,426 | N/A | US\$ 1,426 | |
| | UBS Group Funding (Jersey) Ltd. | - | " | - | US\$ 1,420 | N/A | US\$ 1,420 | |
| | Duke Energy Florida, LLC | - | " | - | US\$ 1,411 | N/A | US\$ 1,411 | |
| | Marathon Petroleum Corporation | - | " | - | US\$ 1,406 | N/A | US\$ 1,406 | |
| | The Southern Company | - | " | - | US\$ 1,396 | N/A | US\$ 1,396 | |
| | Essex Portfolio, L.P. | - | " | - | US\$ 1,376 | N/A | US\$ 1,376 | |
| | Alimentation Couche-Tard Inc. | - | " | - | US\$ 1,353 | N/A | US\$ 1,353 | |
| | ITC Holdings Corp. | - | " | - | US\$ 1,346 | N/A | US\$ 1,346 | |
| | National Rural Utilities Cooperative Finance Corporation | - | " | - | US\$ 1,345 | N/A | US\$ 1,345 | |
| | Eastern Gas Transmission and Storage, Inc. | - | " | - | US\$ 1,302 | N/A | US\$ 1,302 | |
| | Alliant Energy Finance, LLC | - | " | - | US\$ 1,300 | N/A | US\$ 1,300 | |
| | Entergy Arkansas, LLC | - | " | - | US\$ 1,268 | N/A | US\$ 1,268 | |
| | NetApp, Inc. | - | " | - | US\$ 1,261 | N/A | US\$ 1,261 | |
| | PACCAR Financial Corp. | - | " | - | US\$ 1,217 | N/A | US\$ 1,217 | |
| | State Of Tennessee | - | " | - | US\$ 1,217 | N/A | US\$ 1,217 | |
| | Andrew W. Mellon Foundation, The | - | " | - | US\$ 1,211 | N/A | US\$ 1,211 | |
| | Met Tower Global Funding | - | " | - | US\$ 1,207 | N/A | US\$ 1,207 | |
| | American Honda Finance Corporation | - | " | - | US\$ 1,163 | N/A | US\$ 1,163 | |
| | Banco Bilbao Vizcaya Argentaria, S.A. | - | " | - | US\$ 1,151 | N/A | US\$ 1,151 | |
| | Corebridge Financial, Inc. | - | " | - | US\$ 1,143 | N/A | US\$ 1,143 | |
| | Skandinaviska Enskilda Banken AB (publ) | - | " | - | US\$ 1,083 | N/A | US\$ 1,083 | |
| | The Curators of the University of Missouri | - | " | - | US\$ 1,080 | N/A | US\$ 1,080 | |

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| Held Company Name | Marketable Securities Type and Name | Relationship with the Company | Financial Statement Account | September 30, 2022 | | | | Note |
|-------------------|--------------------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------|--------------------------------|--------------------------------------------------------|--------------------------------|----------------------------------------------------|------|
| | | | | Shares/Units (In Thousands) | Carrying Value (Foreign Currencies in Thousands) | Percentage of Ownership (%) | Fair Value (Foreign Currencies in Thousands) | |
| TSMC Global | Ferguson Finance PLC | - | Financial assets at fair value through other comprehensive income | - | US\$ 1,060 | N/A | US\$ 1,060 | |
| | Nucor Corporation | - | " | - | US\$ 1,057 | N/A | US\$ 1,057 | |
| | Baker Hughes Holdings LLC | - | " | - | US\$ 1,031 | N/A | US\$ 1,031 | |
| | State Street Corporation | - | " | - | US\$ 1,026 | N/A | US\$ 1,026 | |
| | Enterprise Products Operating LLC | - | " | - | US\$ 1,025 | N/A | US\$ 1,025 | |
| | IBERDROLA INTL BV | - | " | - | US\$ 1,022 | N/A | US\$ 1,022 | |
| | The Cleveland Electric Illuminating Company | - | " | - | US\$ 1,005 | N/A | US\$ 1,005 | |
| | Texas Eastern Transmission, LP | - | " | - | US\$ 999 | N/A | US\$ 999 | |
| | Foxconn (Far East) Limited | - | " | - | US\$ 997 | N/A | US\$ 997 | |
| | Sinopec Group Overseas Development (2014) Ltd. | - | " | - | US\$ 996 | N/A | US\$ 996 | |
| | Baltimore Gas and Electric Company | - | " | - | US\$ 992 | N/A | US\$ 992 | |
| | BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México | - | " | - | US\$ 988 | N/A | US\$ 988 | |
| | Entergy Mississippi, LLC | - | " | - | US\$ 987 | N/A | US\$ 987 | |
| | Board of Regents, State of Iowa | - | " | - | US\$ 980 | N/A | US\$ 980 | |
| | MassMutual Global Funding II | - | " | - | US\$ 979 | N/A | US\$ 979 | |
| | Denver City & County Housing Authority | - | " | - | US\$ 974 | N/A | US\$ 974 | |
| | Pricoa Global Funding I | - | " | - | US\$ 951 | N/A | US\$ 951 | |
| | Kansas City Southern | - | " | - | US\$ 936 | N/A | US\$ 936 | |
| | Suntory Holdings Limited | - | " | - | US\$ 935 | N/A | US\$ 935 | |
| | Aflac Incorporated | - | " | - | US\$ 878 | N/A | US\$ 878 | |
| | American International Group, Inc. | - | " | - | US\$ 874 | N/A | US\$ 874 | |
| | Unilever Capital Corporation | - | " | - | US\$ 873 | N/A | US\$ 873 | |
| | KeyBank National Association | - | " | - | US\$ 858 | N/A | US\$ 858 | |
| | QNB Finance Ltd. | - | " | - | US\$ 853 | N/A | US\$ 853 | |
| | AmerisourceBergen Corporation | - | " | - | US\$ 827 | N/A | US\$ 827 | |
| | Hormel Foods Corporation | - | " | - | US\$ 814 | N/A | US\$ 814 | |
| | BMW US Capital, LLC | - | " | - | US\$ 801 | N/A | US\$ 801 | |
| | BHP Billiton Finance (USA) Limited | - | " | - | US\$ 798 | N/A | US\$ 798 | |
| | Sinopec Capital (2013) Ltd. | - | " | - | US\$ 793 | N/A | US\$ 793 | |
| | Palm Beach County, Florida | - | " | - | US\$ 789 | N/A | US\$ 789 | |
| | TransCanada PipeLines Limited | - | " | - | US\$ 784 | N/A | US\$ 784 | |
| | Oregon Health & Science University | - | " | - | US\$ 771 | N/A | US\$ 771 | |
| | Tencent Holdings Limited | - | " | - | US\$ 747 | N/A | US\$ 747 | |
| | Niagara Mohawk Power Corporation | - | " | - | US\$ 745 | N/A | US\$ 745 | |
| | The Walt Disney Company | - | " | - | US\$ 734 | N/A | US\$ 734 | |
| | CubeSmart, L.P. | - | " | - | US\$ 724 | N/A | US\$ 724 | |
| | Southern Power Company | - | " | - | US\$ 710 | N/A | US\$ 710 | |
| | Visa Inc. | - | " | - | US\$ 707 | N/A | US\$ 707 | |
| | Canadian Natural Resources Limited | - | " | - | US\$ 693 | N/A | US\$ 693 | |
| | Sky Limited | - | " | - | US\$ 683 | N/A | US\$ 683 | |
| | PayPal Holdings, Inc. | - | " | - | US\$ 668 | N/A | US\$ 668 | |
| | Hyundai Capital Services, Inc. | - | " | - | US\$ 655 | N/A | US\$ 655 | |
| | Abbott Laboratories | - | " | - | US\$ 643 | N/A | US\$ 643 | |
| | Norsk Hydro ASA | - | " | - | US\$ 642 | N/A | US\$ 642 | |
| | State Of Washington | - | " | - | US\$ 640 | N/A | US\$ 640 | |
| | Sodexo, Inc. | - | " | - | US\$ 635 | N/A | US\$ 635 | |
| | Stryker Corporation | - | " | - | US\$ 629 | N/A | US\$ 629 | |
| | Automatic Data Processing, Inc. | - | " | - | US\$ 619 | N/A | US\$ 619 | |

(Continued)

| Held Company Name | Marketable Securities Type and Name | Relationship with the Company | Financial Statement Account | September 30, 2022 | | | | Note |
|-------------------|--------------------------------------------------------|-------------------------------|-------------------------------------------------------------------|--------------------------------|--------------------------------------------------------|--------------------------------|----------------------------------------------------|------|
| | | | | Shares/Units (In Thousands) | Carrying Value (Foreign Currencies in Thousands) | Percentage of Ownership (%) | Fair Value (Foreign Currencies in Thousands) | |
| TSMC Global | Bell Canada, Inc. | - | Financial assets at fair value through other comprehensive income | - | US\$ 612 | N/A | US\$ 612 | |
| | DH Europe Finance II S.a.r.l. | - | " | - | US\$ 599 | N/A | US\$ 599 | |
| | Intact U.S. Holdings Inc. | - | " | - | US\$ 595 | N/A | US\$ 595 | |
| | QUALCOMM Incorporated | - | " | - | US\$ 590 | N/A | US\$ 590 | |
| | Keurig Dr Pepper Inc. | - | " | - | US\$ 589 | N/A | US\$ 589 | |
| | Republic Services, Inc. | - | " | - | US\$ 576 | N/A | US\$ 576 | |
| | Lincoln National Corporation | - | " | - | US\$ 572 | N/A | US\$ 572 | |
| | Port of Morrow | - | " | - | US\$ 565 | N/A | US\$ 565 | |
| | Florida Hurricane Catastrophe Fund Finance Corporation | - | " | - | US\$ 564 | N/A | US\$ 564 | |
| | American Water Capital Corp. | - | " | - | US\$ 555 | N/A | US\$ 555 | |
| | Fifth Third Bank, National Association | - | " | - | US\$ 546 | N/A | US\$ 546 | |
| | Duke Energy Progress, LLC | - | " | - | US\$ 544 | N/A | US\$ 544 | |
| | Shell International Finance B.V. | - | " | - | US\$ 523 | N/A | US\$ 523 | |
| | ConocoPhillips Company | - | " | - | US\$ 497 | N/A | US\$ 497 | |
| | State of Hawaii | - | " | - | US\$ 495 | N/A | US\$ 495 | |
| | Arizona Public Service Company | - | " | - | US\$ 492 | N/A | US\$ 492 | |
| | United Parcel Service, Inc. | - | " | - | US\$ 492 | N/A | US\$ 492 | |
| | Gsk Consumer Healthcare Capital Uk Plc | - | " | - | US\$ 473 | N/A | US\$ 473 | |
| | Trane Technologies Luxembourg Finance S.A. | - | " | - | US\$ 469 | N/A | US\$ 469 | |
| | Ecolab Inc. | - | " | - | US\$ 463 | N/A | US\$ 463 | |
| | Genuine Parts Company | - | " | - | US\$ 462 | N/A | US\$ 462 | |
| | McCormick & Company, Incorporated | - | " | - | US\$ 461 | N/A | US\$ 461 | |
| | Altria Group, Inc. | - | " | - | US\$ 459 | N/A | US\$ 459 | |
| | DENSO Corporation | - | " | - | US\$ 433 | N/A | US\$ 433 | |
| | AIA Group Limited | - | " | - | US\$ 432 | N/A | US\$ 432 | |
| | Brazos Higher Education Authority Inc | - | " | - | US\$ 427 | N/A | US\$ 427 | |
| | The Home Depot, Inc. | - | " | - | US\$ 403 | N/A | US\$ 403 | |
| | Target Corporation | - | " | - | US\$ 401 | N/A | US\$ 401 | |
| | Aetna Inc. | - | " | - | US\$ 394 | N/A | US\$ 394 | |
| | National Australia Bank Limited | - | " | - | US\$ 394 | N/A | US\$ 394 | |
| | Boston Properties Limited Partnership | - | " | - | US\$ 393 | N/A | US\$ 393 | |
| | University of Massachusetts Building Authority | - | " | - | US\$ 389 | N/A | US\$ 389 | |
| | Comerica Bank | - | " | - | US\$ 383 | N/A | US\$ 383 | |
| | Entergy Corporation | - | " | - | US\$ 374 | N/A | US\$ 374 | |
| | Banco del Estado de Chile | - | " | - | US\$ 373 | N/A | US\$ 373 | |
| | Sierra Pacific Power Company | - | " | - | US\$ 370 | N/A | US\$ 370 | |
| | Duke Energy Corporation | - | " | - | US\$ 369 | N/A | US\$ 369 | |
| | McKesson Corporation | - | " | - | US\$ 368 | N/A | US\$ 368 | |
| | Honeywell International Inc. | - | " | - | US\$ 368 | N/A | US\$ 368 | |
| | PepsiCo, Inc. | - | " | - | US\$ 355 | N/A | US\$ 355 | |
| | NIKE, Inc. | - | " | - | US\$ 355 | N/A | US\$ 355 | |
| | Principal Financial Group, Inc. | - | " | - | US\$ 348 | N/A | US\$ 348 | |
| | First Republic Bank | - | " | - | US\$ 346 | N/A | US\$ 346 | |
| | The Norinchukin Bank | - | " | - | US\$ 345 | N/A | US\$ 345 | |
| | Aon Corporation | - | " | - | US\$ 339 | N/A | US\$ 339 | |
| | Rabobank Nederland - New York Branch | - | " | - | US\$ 331 | N/A | US\$ 331 | |
| | Amgen Inc. | - | " | - | US\$ 308 | N/A | US\$ 308 | |
| | Philip Morris International Inc. | - | " | - | US\$ 296 | N/A | US\$ 296 | |
| | Mid-America Apartments, L.P. | - | " | - | US\$ 291 | N/A | US\$ 291 | |

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| Held Company Name | Marketable Securities Type and Name | Relationship with the Company | Financial Statement Account | September 30, 2022 | | | | Note |
|-------------------|-------------------------------------------------------|-------------------------------|-------------------------------------------------------------------|--------------------------------|--------------------------------------------------------|--------------------------------|----------------------------------------------------|------|
| | | | | Shares/Units (In Thousands) | Carrying Value (Foreign Currencies in Thousands) | Percentage of Ownership (%) | Fair Value (Foreign Currencies in Thousands) | |
| TSMC Global | Alabama State Federal Aid Highway Finance Authority | - | Financial assets at fair value through other comprehensive income | - | US\$ 290 | N/A | US\$ 290 | |
| | The Allstate Corporation | - | " | - | US\$ 288 | N/A | US\$ 288 | |
| | TotalEnergies Capital International | - | " | - | US\$ 285 | N/A | US\$ 285 | |
| | BOC Aviation (USA) Corporation | - | " | - | US\$ 283 | N/A | US\$ 283 | |
| | Salesforce, Inc. | - | " | - | US\$ 280 | N/A | US\$ 280 | |
| | Aptiv PLC | - | " | - | US\$ 279 | N/A | US\$ 279 | |
| | Johnson Controls International plc | - | " | - | US\$ 269 | N/A | US\$ 269 | |
| | Barclays Bank PLC | - | " | - | US\$ 269 | N/A | US\$ 269 | |
| | Southern Natural Gas Company, L.L.C. | - | " | - | US\$ 267 | N/A | US\$ 267 | |
| | QatarEnergy | - | " | - | US\$ 261 | N/A | US\$ 261 | |
| | Sales Tax Securitization Corporation Of Chicago | - | " | - | US\$ 249 | N/A | US\$ 249 | |
| | Equitable Holdings, Inc. | - | " | - | US\$ 243 | N/A | US\$ 243 | |
| | Starbucks Corporation | - | " | - | US\$ 236 | N/A | US\$ 236 | |
| | E. I. du Pont de Nemours and Company | - | " | - | US\$ 226 | N/A | US\$ 226 | |
| | Waste Management, Inc. | - | " | - | US\$ 221 | N/A | US\$ 221 | |
| | Nasdaq, Inc. | - | " | - | US\$ 218 | N/A | US\$ 218 | |
| | Entergy Louisiana, LLC | - | " | - | US\$ 217 | N/A | US\$ 217 | |
| | Children's Hospital Of Orange County | - | " | - | US\$ 212 | N/A | US\$ 212 | |
| | The Pennsylvania State University | - | " | - | US\$ 205 | N/A | US\$ 205 | |
| | Martin Marietta Materials, Inc. | - | " | - | US\$ 203 | N/A | US\$ 203 | |
| | Riverside County Infrastructure Financing Authority | - | " | - | US\$ 197 | N/A | US\$ 197 | |
| | Saudi Arabian Oil Company | - | " | - | US\$ 192 | N/A | US\$ 192 | |
| | Los Angeles Department of Water and Power, California | - | " | - | US\$ 191 | N/A | US\$ 191 | |
| | Deere & Company | - | " | - | US\$ 191 | N/A | US\$ 191 | |
| | NongHyup Bank | - | " | - | US\$ 186 | N/A | US\$ 186 | |
| | San Francisco Public Utilities Commission | - | " | - | US\$ 180 | N/A | US\$ 180 | |
| | Hoover Alabama Board Of Education | - | " | - | US\$ 174 | N/A | US\$ 174 | |
| | Dormitory Authority of the State of New York | - | " | - | US\$ 152 | N/A | US\$ 152 | |
| | Oregon Education Districts | - | " | - | US\$ 151 | N/A | US\$ 151 | |
| | Electricité de France S.A. | - | " | - | US\$ 96 | N/A | US\$ 96 | |
| | Beth Israel Deaconess Medical Center, Inc. | - | " | - | US\$ 84 | N/A | US\$ 84 | |
| | Municipal Improvement Corporation of Los Angeles | - | " | - | US\$ 80 | N/A | US\$ 80 | |
| | Pima County, Arizona | - | " | - | US\$ 75 | N/A | US\$ 75 | |
| | State of Wisconsin | - | " | - | US\$ 61 | N/A | US\$ 61 | |
| | Huntington Beach California | - | " | - | US\$ 49 | N/A | US\$ 49 | |
| | City of Worcester, MA | - | " | - | US\$ 30 | N/A | US\$ 30 | |
| | Nueces County | - | " | - | US\$ 24 | N/A | US\$ 24 | |
| | Bank of America Corporation | - | Financial assets at amortized cost | - | US\$ 365,654 | N/A | US\$ 360,738 | |
| | The Goldman Sachs Group, Inc. | - | " | - | US\$ 340,683 | N/A | US\$ 335,408 | |
| | Citigroup Global Markets Inc. | - | " | - | US\$ 249,919 | N/A | US\$ 243,346 | |
| | JPMorgan Chase & Co. | - | " | - | US\$ 205,628 | N/A | US\$ 202,660 | |
| | Wells Fargo & Company | - | " | - | US\$ 189,392 | N/A | US\$ 185,987 | |
| | Citigroup Global Markets Holdings Inc. | - | " | - | US\$ 149,951 | N/A | US\$ 144,379 | |
| | Goldman Sachs Finance Corp International Ltd. | - | " | - | US\$ 149,870 | N/A | US\$ 146,502 | |
| | Citigroup Inc. | - | " | - | US\$ 106,012 | N/A | US\$ 104,672 | |
| | Jpmorgan LLC | - | " | - | US\$ 49,984 | N/A | US\$ 49,072 | |
| | Morgan Stanley | - | " | - | US\$ 30,237 | N/A | US\$ 29,274 | |
| | Banco Bilbao Vizcaya Argentaria, S.A. | - | " | - | US\$ 10,443 | N/A | US\$ 10,314 | |
| | Hyundai Capital Services, Inc. | - | " | - | US\$ 9,212 | N/A | US\$ 9,065 | |

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| Held Company Name | Marketable Securities Type and Name | Relationship with the Company | Financial Statement Account | September 30, 2022 | | | | Note |
|-------------------|---------------------------------------------|-------------------------------|------------------------------------|--------------------------------|--------------------------------------------------------|--------------------------------|----------------------------------------------------|------|
| | | | | Shares/Units (In Thousands) | Carrying Value (Foreign Currencies in Thousands) | Percentage of Ownership (%) | Fair Value (Foreign Currencies in Thousands) | |
| TSMC Global | Nomura Holdings, Inc. | - | Financial assets at amortized cost | - | US\$ 9,207 | N/A | US\$ 8,982 | |
| | Fédération des caisses Desjardins du Québec | - | " | - | US\$ 9,161 | N/A | US\$ 8,918 | |
| | Great-West Lifeco U.S. Finance 2020, Lp | - | " | - | US\$ 9,156 | N/A | US\$ 8,897 | |
| | UBS Group AG | - | " | - | US\$ 9,087 | N/A | US\$ 8,923 | |
| | Sumitomo Mitsui Trust Bank, Limited | - | " | - | US\$ 9,022 | N/A | US\$ 8,845 | |
| | Deutsche Bank AG - New York Branch | - | " | - | US\$ 8,981 | N/A | US\$ 8,788 | |
| | Lloyds Banking Group plc | - | " | - | US\$ 8,972 | N/A | US\$ 8,822 | |
| | NatWest Markets Plc | - | " | - | US\$ 8,933 | N/A | US\$ 8,769 | |
| | Athene Global Funding | - | " | - | US\$ 8,858 | N/A | US\$ 8,710 | |
| | NongHyup Bank | - | " | - | US\$ 8,473 | N/A | US\$ 8,401 | |
| | BPCE SA | - | " | - | US\$ 8,390 | N/A | US\$ 8,167 | |
| | Banco Santander, S.A. | - | " | - | US\$ 8,308 | N/A | US\$ 8,058 | |
| | Enel Finance International N.V. | - | " | - | US\$ 8,206 | N/A | US\$ 7,995 | |
| | Ventas Realty, Limited Partnership | - | " | - | US\$ 8,157 | N/A | US\$ 8,029 | |
| | Protective Life Global Funding | - | " | - | US\$ 8,065 | N/A | US\$ 7,880 | |
| | Volkswagen Group of America Finance, LLC | - | " | - | US\$ 8,012 | N/A | US\$ 7,862 | |
| | Sydney Airport Finance Company Pty Ltd | - | " | - | US\$ 7,607 | N/A | US\$ 7,418 | |
| | BNP Paribas SA | - | " | - | US\$ 7,541 | N/A | US\$ 7,397 | |
| | Nationwide Building Society | - | " | - | US\$ 7,161 | N/A | US\$ 6,913 | |
| | AIG Global Funding | - | " | - | US\$ 7,131 | N/A | US\$ 7,058 | |
| | KeyBank National Association | - | " | - | US\$ 7,016 | N/A | US\$ 6,812 | |
| | GA Global Funding Trust | - | " | - | US\$ 6,244 | N/A | US\$ 6,139 | |
| | Canadian Imperial Bank of Commerce | - | " | - | US\$ 6,162 | N/A | US\$ 5,999 | |
| | Mitsubishi UFJ Financial Group, Inc. | - | " | - | US\$ 6,049 | N/A | US\$ 5,950 | |
| | CRH America, Inc. | - | " | - | US\$ 5,970 | N/A | US\$ 5,805 | |
| | Sumitomo Mitsui Financial Group, Inc. | - | " | - | US\$ 5,709 | N/A | US\$ 5,625 | |
| | Daimler Trucks Finance North America LLC | - | " | - | US\$ 5,671 | N/A | US\$ 5,541 | |
| | CREDIT SUISSE AG (NEW YORK BRANCH) | - | " | - | US\$ 5,608 | N/A | US\$ 5,505 | |
| | Swedbank AB (publ) | - | " | - | US\$ 5,215 | N/A | US\$ 5,119 | |
| | F&G Global Funding | - | " | - | US\$ 5,183 | N/A | US\$ 5,101 | |
| | Bayer US Finance II LLC | - | " | - | US\$ 4,986 | N/A | US\$ 4,915 | |
| | Ecolab Inc. | - | " | - | US\$ 4,847 | N/A | US\$ 4,791 | |
| | Credit Suisse AG, New York Branch | - | " | - | US\$ 4,727 | N/A | US\$ 4,597 | |
| | Kinder Morgan, Inc. | - | " | - | US\$ 4,699 | N/A | US\$ 4,646 | |
| | Jackson Financial Inc. | - | " | - | US\$ 4,643 | N/A | US\$ 4,601 | |
| | Bristol-Myers Squibb Company | - | " | - | US\$ 4,640 | N/A | US\$ 4,596 | |
| | ING Groep N.V. | - | " | - | US\$ 4,507 | N/A | US\$ 4,451 | |
| | Toyota Motor Credit Corporation | - | " | - | US\$ 4,496 | N/A | US\$ 4,452 | |
| | Five Corners Funding Trust | - | " | - | US\$ 4,421 | N/A | US\$ 4,350 | |
| | Svenska Handelsbanken AB (publ) | - | " | - | US\$ 4,191 | N/A | US\$ 4,112 | |
| | Danone S.A. | - | " | - | US\$ 4,144 | N/A | US\$ 4,108 | |
| | National Australia Bank - New York Branch | - | " | - | US\$ 4,008 | N/A | US\$ 3,980 | |
| | Société Générale Société anonyme | - | " | - | US\$ 4,007 | N/A | US\$ 3,957 | |
| | Mercedes-Benz Finance North America LLC | - | " | - | US\$ 4,005 | N/A | US\$ 3,982 | |
| | Mizuho Financial Group, Inc. | - | " | - | US\$ 4,001 | N/A | US\$ 3,983 | |
| | BMW US Capital, LLC | - | " | - | US\$ 4,000 | N/A | US\$ 3,979 | |
| | Penske Truck Leasing Co., L.P. | - | " | - | US\$ 3,998 | N/A | US\$ 3,959 | |
| | Georgia-Pacific LLC | - | " | - | US\$ 3,995 | N/A | US\$ 3,980 | |
| | Simon Property Group, L.P. | - | " | - | US\$ 3,980 | N/A | US\$ 3,952 | |
| | SMBC Aviation Capital Finance DAC | - | " | - | US\$ 3,974 | N/A | US\$ 3,950 | |

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| Held Company Name | Marketable Securities Type and Name | Relationship with the Company | Financial Statement Account | September 30, 2022 | | | | Note |
|-------------------|--------------------------------------------------------------------|----------------------------------------------------------|------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------|--------------------------------|----------------------------------------------------|--------------|
| | | | | Shares/Units (In Thousands) | Carrying Value (Foreign Currencies in Thousands) | Percentage of Ownership (%) | Fair Value (Foreign Currencies in Thousands) | |
| TSMC Global | Danske Bank A/S | - | Financial assets at amortized cost | - | US\$ 3,965 | N/A | US\$ 3,911 | |
| | Philip Morris International Inc. | - | " | - | US\$ 3,947 | N/A | US\$ 3,926 | |
| | The Bank of Nova Scotia | - | " | - | US\$ 3,884 | N/A | US\$ 3,836 | |
| | Komatsu Finance America, Inc. | - | " | - | US\$ 3,881 | N/A | US\$ 3,851 | |
| | Nordea Bank Abp | - | " | - | US\$ 3,789 | N/A | US\$ 3,749 | |
| | Shire Acquisitions Investments Ireland Designated Activity Company | - | " | - | US\$ 3,731 | N/A | US\$ 3,692 | |
| | Georgia Power Company | - | " | - | US\$ 3,537 | N/A | US\$ 3,518 | |
| | Enbridge Inc. | - | " | - | US\$ 3,399 | N/A | US\$ 3,346 | |
| | Central Japan Railway Company | - | " | - | US\$ 3,386 | N/A | US\$ 3,350 | |
| | Jackson National Life Global Funding | - | " | - | US\$ 3,321 | N/A | US\$ 3,240 | |
| | Nestlé Holdings, Inc. | - | " | - | US\$ 3,277 | N/A | US\$ 3,245 | |
| | ANZ New Zealand (Int'l) Limited | - | " | - | US\$ 3,177 | N/A | US\$ 3,109 | |
| | Spectra Energy Partners, LP | - | " | - | US\$ 2,826 | N/A | US\$ 2,761 | |
| | Reliance Standard Life Global Funding II | - | " | - | US\$ 2,659 | N/A | US\$ 2,645 | |
| | Ryder System, Inc. | - | " | - | US\$ 2,552 | N/A | US\$ 2,525 | |
| | Southern California Edison Company | - | " | - | US\$ 2,269 | N/A | US\$ 2,254 | |
| | American Honda Finance Corporation | - | " | - | US\$ 1,951 | N/A | US\$ 1,926 | |
| | Oracle Corporation | - | " | - | US\$ 885 | N/A | US\$ 876 | |
| | Baxter International Inc. | - | " | - | US\$ 777 | N/A | US\$ 769 | |
| | Fidelity National Information Services, Inc. | - | " | - | US\$ 591 | N/A | US\$ 590 | |
| | Abbott Laboratories | - | " | - | US\$ 362 | N/A | US\$ 358 | |
| | Metropolitan Life Global Funding I | - | " | - | US\$ 147 | N/A | US\$ 145 | |
| | <u>Government bond</u> | | | | | | | |
| | | United States Department of The Treasury | - | Financial assets at fair value through other comprehensive income | - | US\$ 633,998 | N/A | US\$ 633,998 |
| | | Emirate of Abu Dhabi | - | " | - | US\$ 1,447 | N/A | US\$ 1,447 |
| | | Qatar | - | " | - | US\$ 1,295 | N/A | US\$ 1,295 |
| | <u>Agency bonds/Agency mortgage-backed securities</u> | | | | | | | |
| | | FEDERAL NATIONAL MORTGAGE ASSOCIATION | - | Financial assets at fair value through other comprehensive income | - | US\$ 480,057 | N/A | US\$ 480,057 |
| | | Federal Home Loan Mortgage Corporation | - | " | - | US\$ 275,758 | N/A | US\$ 275,758 |
| | | Government National Mortgage Association | - | " | - | US\$ 179,583 | N/A | US\$ 179,583 |
| | <u>Asset-backed securities</u> | | | | | | | |
| | | Hyundai Auto Receivables Trust 2021-C | - | Financial assets at fair value through other comprehensive income | - | US\$ 10,383 | N/A | US\$ 10,383 |
| | | JPMBB Commercial Mortgage Securities Trust 2014-C24 | - | " | - | US\$ 9,638 | N/A | US\$ 9,638 |
| | | BX Trust 2022-LBA6 | - | " | - | US\$ 9,617 | N/A | US\$ 9,617 |
| | | Toyota Auto Receivables 2022-B Owner Trust | - | " | - | US\$ 9,570 | N/A | US\$ 9,570 |
| | | Wells Fargo Commercial Mortgage Trust 2016-Bnk1 | - | " | - | US\$ 8,876 | N/A | US\$ 8,876 |
| | | Ford Credit Auto Owner Trust 2021-Rev2 | - | " | - | US\$ 7,331 | N/A | US\$ 7,331 |
| | | Citigroup Commercial Mortgage Trust 2015-GC33 | - | " | - | US\$ 7,251 | N/A | US\$ 7,251 |
| | | Ford Credit Auto Owner Trust 2020-REV2 | - | " | - | US\$ 6,538 | N/A | US\$ 6,538 |
| | | Morgan Stanley Capital I Trust 2021-L6 | - | " | - | US\$ 6,127 | N/A | US\$ 6,127 |
| | | Morgan Stanley Bank America Merrill Lynch Trust 2016-C30 | - | " | - | US\$ 6,031 | N/A | US\$ 6,031 |
| | | Bank 2020-BNK26 | - | " | - | US\$ 5,676 | N/A | US\$ 5,676 |
| | | Benchmark 2019-B11 Mortgage Trust | - | " | - | US\$ 5,670 | N/A | US\$ 5,670 |
| | | Hudson Yards 2016-10HY Mortgage Trust | - | " | - | US\$ 5,620 | N/A | US\$ 5,620 |
| | | Citigroup Commercial Mortgage Trust 2021-PRM2 | - | " | - | US\$ 5,413 | N/A | US\$ 5,413 |

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| Held Company Name | Marketable Securities Type and Name | Relationship with the Company | Financial Statement Account | September 30, 2022 | | | | Note |
|-------------------|-----------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------|--------------------------------|--------------------------------------------------------|--------------------------------|----------------------------------------------------|------|
| | | | | Shares/Units (In Thousands) | Carrying Value (Foreign Currencies in Thousands) | Percentage of Ownership (%) | Fair Value (Foreign Currencies in Thousands) | |
| TSMC Global | Wells Fargo Commercial Mortgage Trust 2016-C35 | - | Financial assets at fair value through other comprehensive income | - | US\$ 5,317 | N/A | US\$ 5,317 | |
| | Bank 2017-Bnk6 | - | " | - | US\$ 5,270 | N/A | US\$ 5,270 | |
| | Bank 2021-bnk33 | - | " | - | US\$ 5,263 | N/A | US\$ 5,263 | |
| | Benchmark 2019-B12 Mortgage Trust | - | " | - | US\$ 5,221 | N/A | US\$ 5,221 | |
| | BBCMS 2018-Tall Mortgage Trust | - | " | - | US\$ 5,176 | N/A | US\$ 5,176 | |
| | WFRBS Commercial Mortgage Trust 2013-C13 | - | " | - | US\$ 4,959 | N/A | US\$ 4,959 | |
| | Morgan Stanley Bank America Merrill Lynch Trust 2013-C10 | - | " | - | US\$ 4,696 | N/A | US\$ 4,696 | |
| | CSAIL 2018-CX11 | - | " | - | US\$ 4,685 | N/A | US\$ 4,685 | |
| | Wells Fargo Commercial Mortgage Trust 2021-C59 | - | " | - | US\$ 4,629 | N/A | US\$ 4,629 | |
| | Citigroup Commercial Mortgage Trust 2014-GC21 | - | " | - | US\$ 4,521 | N/A | US\$ 4,521 | |
| | GM Financial Revolving Receivables Trust 2021-1 | - | " | - | US\$ 4,329 | N/A | US\$ 4,329 | |
| | MRCO 2019-Prkc Mortgage Trust | - | " | - | US\$ 4,322 | N/A | US\$ 4,322 | |
| | Honda Auto Receivables 2021 - 4 Owner Trust | - | " | - | US\$ 4,316 | N/A | US\$ 4,316 | |
| | Bank 2017-BNK9 | - | " | - | US\$ 4,314 | N/A | US\$ 4,314 | |
| | Bank 2017 - BNK7 | - | " | - | US\$ 3,946 | N/A | US\$ 3,946 | |
| | Bank 2019-Bnk17 | - | " | - | US\$ 3,862 | N/A | US\$ 3,862 | |
| | JPMCC 2017-JP7 | - | " | - | US\$ 3,854 | N/A | US\$ 3,854 | |
| | BANK 2017-BNK5 | - | " | - | US\$ 3,469 | N/A | US\$ 3,469 | |
| | Msbam 2016-C29 | - | " | - | US\$ 3,417 | N/A | US\$ 3,417 | |
| | Bank 2019-Bnk22 | - | " | - | US\$ 3,327 | N/A | US\$ 3,327 | |
| | Citigroup Commercial Mortgage Trust 2019-Gc43 | - | " | - | US\$ 3,155 | N/A | US\$ 3,155 | |
| | GM Financial Consumer Automobile Receivables Trust 2021-4 | - | " | - | US\$ 3,142 | N/A | US\$ 3,142 | |
| | Commerce 2015-CCRE24 Mortgage Trust | - | " | - | US\$ 3,032 | N/A | US\$ 3,032 | |
| | Msbam 2016-C31 | - | " | - | US\$ 2,982 | N/A | US\$ 2,982 | |
| | Ford Credit Auto Owner Trust 2022-B | - | " | - | US\$ 2,977 | N/A | US\$ 2,977 | |
| | WFRBS Commercial Mortgage Trust 2014-C25 | - | " | - | US\$ 2,889 | N/A | US\$ 2,889 | |
| | J.P. Morgan Chase Commercial Mortgage Securities Trust 2012-LC9 | - | " | - | US\$ 2,860 | N/A | US\$ 2,860 | |
| | GS Mortgage Securities Corporation Trust 2018-RIVR | - | " | - | US\$ 2,837 | N/A | US\$ 2,837 | |
| | Benchmark 2019-B15 Mortgage Trust | - | " | - | US\$ 2,807 | N/A | US\$ 2,807 | |
| | Sreit Commercial Mortgage Trust 2021-Mfp | - | " | - | US\$ 2,766 | N/A | US\$ 2,766 | |
| | JPMDB 2017-C7 | - | " | - | US\$ 2,654 | N/A | US\$ 2,654 | |
| | GS Mortgage Securities Trust 2015-GC32 | - | " | - | US\$ 2,594 | N/A | US\$ 2,594 | |
| | GS Mortgage Securities Trust 2013-GCJ12 | - | " | - | US\$ 2,547 | N/A | US\$ 2,547 | |
| | Benchmark 2018-B3 Commercial Mortgage Trust | - | " | - | US\$ 2,447 | N/A | US\$ 2,447 | |
| | Ford Credit Auto Owner Trust 2020-Rev1 | - | " | - | US\$ 2,327 | N/A | US\$ 2,327 | |
| | Mhc Commercial Mortgage Trust 2021-Mhc | - | " | - | US\$ 2,204 | N/A | US\$ 2,204 | |
| | UBS Barclays Commercial Mortgage Trust 2013-C6 | - | " | - | US\$ 2,184 | N/A | US\$ 2,184 | |
| | Citigroup Commercial Mortgage Trust 2015-P1 | - | " | - | US\$ 2,153 | N/A | US\$ 2,153 | |
| | Citigroup Commercial Mortgage Trust 2015-GC27 | - | " | - | US\$ 2,064 | N/A | US\$ 2,064 | |
| | BBCMS Mortgage Trust 2020-C8 | - | " | - | US\$ 2,041 | N/A | US\$ 2,041 | |
| | Wells Fargo Commercial Mortgage Trust 2020-C55 | - | " | - | US\$ 2,027 | N/A | US\$ 2,027 | |
| | Commerce 2013-CCRE12 Mortgage Trust | - | " | - | US\$ 1,976 | N/A | US\$ 1,976 | |
| | UBS Commercial Mortgage Trust 2018-C11 | - | " | - | US\$ 1,975 | N/A | US\$ 1,975 | |
| | Morgan Stanley Capital I Trust 2018-H3 | - | " | - | US\$ 1,973 | N/A | US\$ 1,973 | |
| | Benchmark 2018-B4 Mortgage Trust | - | " | - | US\$ 1,954 | N/A | US\$ 1,954 | |
| | CGCMT 2017-P8 Mortgage Trust | - | " | - | US\$ 1,909 | N/A | US\$ 1,909 | |
| | Morgan Stanley Capital I Trust | - | " | - | US\$ 1,838 | N/A | US\$ 1,838 | |
| | JPMBB Commercial Mortgage Securities Trust 2015-C28 | - | " | - | US\$ 1,786 | N/A | US\$ 1,786 | |

(Continued)

| Held Company Name | Marketable Securities Type and Name | Relationship with the Company | Financial Statement Account | September 30, 2022 | | | | Note |
|-------------------|-------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------|--------------------------------|--------------------------------------------------------|--------------------------------|----------------------------------------------------|------|
| | | | | Shares/Units (In Thousands) | Carrying Value (Foreign Currencies in Thousands) | Percentage of Ownership (%) | Fair Value (Foreign Currencies in Thousands) | |
| TSMC Global | Dolp Trust 2021-NYC | - | Financial assets at fair value through other comprehensive income | - | US\$ 1,781 | N/A | US\$ 1,781 | |
| | Wells Fargo Commercial Mortgage Trust 2015-C30 | - | " | - | US\$ 1,549 | N/A | US\$ 1,549 | |
| | JPMBB Commercial Mortgage Securities Trust 2015-C27 | - | " | - | US\$ 1,501 | N/A | US\$ 1,501 | |
| | Wells Fargo Commercial Mortgage Trust 2018-C44 | - | " | - | US\$ 1,451 | N/A | US\$ 1,451 | |
| | JPMBB Commercial Mortgage Securities Trust 2013-C12 | - | " | - | US\$ 1,450 | N/A | US\$ 1,450 | |
| | COMM 2020-CBM Mortgage Trust | - | " | - | US\$ 1,415 | N/A | US\$ 1,415 | |
| | Wells Fargo Commercial Mortgage Trust 2017-C40 | - | " | - | US\$ 1,340 | N/A | US\$ 1,340 | |
| | Morgan Stanley Capital I Trust 2021-L5 | - | " | - | US\$ 1,327 | N/A | US\$ 1,327 | |
| | Dbgs 2018-Biod Mortgage Trust | - | " | - | US\$ 1,253 | N/A | US\$ 1,253 | |
| | Honda Auto Receivables 2021-2 Owner Trust | - | " | - | US\$ 1,253 | N/A | US\$ 1,253 | |
| | Wells Fargo Commercial Mortgage Trust 2015-C29 | - | " | - | US\$ 1,231 | N/A | US\$ 1,231 | |
| | WFRBS Commercial Mortgage Trust 2013-UBS1 | - | " | - | US\$ 1,227 | N/A | US\$ 1,227 | |
| | Toyota Auto Receivables 2021-D Owner Trust | - | " | - | US\$ 1,136 | N/A | US\$ 1,136 | |
| | Morgan Stanley Capital I Trust 2015 - UBS8 | - | " | - | US\$ 945 | N/A | US\$ 945 | |
| | UBS Commercial Mortgage Trust 2018-C10 | - | " | - | US\$ 928 | N/A | US\$ 928 | |
| | JPMCC Commercial Mortgage Securities Trust 2016 - JP3 | - | " | - | US\$ 916 | N/A | US\$ 916 | |
| | Morgan Stanley Bank Of America Merrill Lynch Trust 2013-C13 | - | " | - | US\$ 871 | N/A | US\$ 871 | |
| | BX Trust 2021-BXMF | - | " | - | US\$ 809 | N/A | US\$ 809 | |
| | 280 Park Avenue Trust 2017 - 280P | - | " | - | US\$ 808 | N/A | US\$ 808 | |
| | Citigroup Commercial Mortgage Trust 2013-GCJ11 | - | " | - | US\$ 767 | N/A | US\$ 767 | |
| | Bx 2021-21M Mortgage Trust | - | " | - | US\$ 764 | N/A | US\$ 764 | |
| | COMM Mortgage Trust Series 2015-LC19 | - | " | - | US\$ 764 | N/A | US\$ 764 | |
| | Elp Commercial Mortgage Trust 2021-Elp | - | " | - | US\$ 762 | N/A | US\$ 762 | |
| | Benchmark 2019-B14 Mortgage Trust | - | " | - | US\$ 657 | N/A | US\$ 657 | |
| | Commerce 2014-Ccre17 Mortgage Trust | - | " | - | US\$ 642 | N/A | US\$ 642 | |
| | Morgan Stanley Capital I Trust 2019-H6 | - | " | - | US\$ 611 | N/A | US\$ 611 | |
| | GS Mortgage Securities Trust 2014-GC22 | - | " | - | US\$ 608 | N/A | US\$ 608 | |
| | Equus 2021-Eqaz Mortgage Trust | - | " | - | US\$ 570 | N/A | US\$ 570 | |
| | JPMBB Commercial Mortgage Securities Trust 2016-C1 | - | " | - | US\$ 568 | N/A | US\$ 568 | |
| | GS Mortgage Securities Trust 2014-GC24 | - | " | - | US\$ 559 | N/A | US\$ 559 | |
| | Gs Mortgage Securities Corporation Trust 2020-Uptn | - | " | - | US\$ 543 | N/A | US\$ 543 | |
| | Wells Fargo Commercial Mortgage Trust 2015-C28 | - | " | - | US\$ 531 | N/A | US\$ 531 | |
| | Toyota Auto Receivables 2018-D Owner Trust | - | " | - | US\$ 528 | N/A | US\$ 528 | |
| | Bx Commercial Mortgage Trust 2021-CIP | - | " | - | US\$ 527 | N/A | US\$ 527 | |
| | Wells Fargo Commercial Mortgage Trust 2015-LC20 | - | " | - | US\$ 497 | N/A | US\$ 497 | |
| | WFRBSC Commercial Mortgage Trust 2013-C17 | - | " | - | US\$ 496 | N/A | US\$ 496 | |
| | Bbcms Mortgage Trust 2017-C1 | - | " | - | US\$ 487 | N/A | US\$ 487 | |
| | Citigroup Commercial Mortgage Trust 2018-C5 | - | " | - | US\$ 482 | N/A | US\$ 482 | |
| | GS Mortgage Securities Trust 2019-GSA1 | - | " | - | US\$ 476 | N/A | US\$ 476 | |
| | Bank 2019-BNK23 | - | " | - | US\$ 433 | N/A | US\$ 433 | |
| | Benchmark 2019-B9 Mortgage Trust | - | " | - | US\$ 423 | N/A | US\$ 423 | |
| | CF 2019-CF1 Mortgage Trust | - | " | - | US\$ 407 | N/A | US\$ 407 | |
| | Morgan Stanley Capital I Trust 2019-H7 | - | " | - | US\$ 406 | N/A | US\$ 406 | |
| | Wells Fargo Commercial Mortgage Trust 2015-NXS3 | - | " | - | US\$ 404 | N/A | US\$ 404 | |
| | COMM 2013-LC6 Mortgage Trust | - | " | - | US\$ 393 | N/A | US\$ 393 | |
| | Citigroup Commercial Mortgage Trust 2014-GC23 | - | " | - | US\$ 359 | N/A | US\$ 359 | |
| | COMM 2015-CCRE22 Mortgage Trust | - | " | - | US\$ 339 | N/A | US\$ 339 | |
| | COMM 2012-CCRE5 Mortgage Trust | - | " | - | US\$ 331 | N/A | US\$ 331 | |
| | JPMBB Commercial Mortgage Securities Trust 2014-C19 | - | " | - | US\$ 315 | N/A | US\$ 315 | |

(Continued)

| Held Company Name | Marketable Securities Type and Name | Relationship with the Company | Financial Statement Account | September 30, 2022 | | | | Note |
|-------------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------|--------------------------------|----------------------------------------------------|-------------|
| | | | | Shares/Units (In Thousands) | Carrying Value (Foreign Currencies in Thousands) | Percentage of Ownership (%) | Fair Value (Foreign Currencies in Thousands) | |
| TSMC Global | JPMCC 2015 - JP1 | - | Financial assets at fair value through other comprehensive income | - | US\$ 290 | N/A | US\$ 290 | |
| | JPMDB Commercial Mortgage Securities Trust 2019-COR6 | - | " | - | US\$ 269 | N/A | US\$ 269 | |
| | Citigroup Commercial Mortgage Trust 2016-C3 | - | " | - | US\$ 238 | N/A | US\$ 238 | |
| | Morgan Stanley Bank Of America Merrill Lynch Trust 2013-C12 | - | " | - | US\$ 235 | N/A | US\$ 235 | |
| | Citigroup Commercial Mortgage Trust 2015-GC35 | - | " | - | US\$ 203 | N/A | US\$ 203 | |
| | GS Mortgage Securities Trust 2014-GC26 | - | " | - | US\$ 193 | N/A | US\$ 193 | |
| | Citigroup Commercial Mortgage Trust 2014-GC19 | - | " | - | US\$ 168 | N/A | US\$ 168 | |
| | UBS-Barclays Commercial Mortgage Trust 2012-C2 | - | " | - | US\$ 155 | N/A | US\$ 155 | |
| | COMM 2013-CCRE8 Mortgage Trust | - | " | - | US\$ 106 | N/A | US\$ 106 | |
| | Bank 2020-BNK28 | - | " | - | US\$ 104 | N/A | US\$ 104 | |
| | BBCMS Mortgage Trust 2020-C7 | - | " | - | US\$ 74 | N/A | US\$ 74 | |
| | Wells Fargo Commercial Mortgage Trust 2015-NXS1 | - | " | - | US\$ 3 | N/A | US\$ 3 | |
| | | <u>Non-publicly traded equity investments</u> Primavera Capital Fund II L.P. | - | Financial assets at fair value through other comprehensive income | - | US\$ 86,834 | 4 | US\$ 86,834 |
| VTAF II | <u>Non-publicly traded equity investments</u> Aether Systems, Inc. | - | Financial assets at fair value through other comprehensive income | 1,085 | - | 20 | - | |
| | 5V Technologies, Inc. | - | " | 4 | - | - | - | |
| | <u>Publicly traded stocks</u> Sentelic Corporation | - | Financial assets at fair value through other comprehensive income | 971 | US\$ 1,529 | 3 | US\$ 1,529 | |
| VTAF III | <u>Non-publicly traded equity investments</u> LiquidLeds Lighting Corp. | - | Financial assets at fair value through other comprehensive income | 1,952 | US\$ 800 | 14 | US\$ 800 | |
| | Neoconix, Inc. | - | " | 4,147 | US\$ 174 | - | US\$ 174 | |
| Growth Fund | <u>Non-publicly traded equity investments</u> Aster Labs, Inc. | - | Financial assets at fair value through other comprehensive income | 637 | US\$ 4,146 | - | US\$ 4,146 | |
| | CNEX Labs, Inc. | - | " | 33 | US\$ 166 | - | US\$ 166 | |
| | <u>Publicly traded stocks</u> Marvell Technology Group Ltd. | - | Financial assets at fair value through other comprehensive income | 30 | US\$ 1,270 | - | US\$ 1,270 | |
| EmergingFund | <u>Non-publicly traded equity investments</u> Aster Labs, Inc. | - | Financial assets at fair value through other comprehensive income | 1,487 | US\$ 9,680 | - | US\$ 9,680 | |
| | Solanium Labs, Ltd. | - | " | 1,429 | US\$ 5,000 | 2 | US\$ 5,000 | |
| | Kinara, Inc. | - | " | 2,015 | US\$ 3,000 | 2 | US\$ 3,000 | |
| | RiVos, Inc. | - | " | 750 | US\$ 2,000 | - | US\$ 2,000 | |
| | <u>Publicly traded stocks</u> Credo Technology Group Holding Ltd | - | Financial assets at fair value through other comprehensive income | 511 | US\$ 5,616 | - | US\$ 5,616 | |

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

| Company Name | Marketable Securities Type and Name | Financial Statement Account | Counterparty | Nature of Relationship | Beginning Balance | | Acquisition | | Disposal | | | | Ending Balance (Note) | |
|-----------------------------------------------|-----------------------------------------------|-------------------------------------------------------------------|--------------|------------------------|-----------------------------|------------------------------------------|-----------------------------|------------------------------------------|-----------------------------|------------------------------------------|--------------------------------------------------|---------------------------------------------------------|-----------------------------|------------------------------------------|
| | | | | | Shares/Units (In Thousands) | Amount (Foreign Currencies in Thousands) | Shares/Units (In Thousands) | Amount (Foreign Currencies in Thousands) | Shares/Units (In Thousands) | Amount (Foreign Currencies in Thousands) | Carrying Value (Foreign Currencies in Thousands) | Gain/Loss on Disposal (Foreign Currencies in Thousands) | Shares/Units (In Thousands) | Amount (Foreign Currencies in Thousands) |
| TSMC | <u>Commercial paper</u> | | | | | | | | | | | | | |
| | Taiwan Power Company | Financial assets at amortized cost | - | - | - | \$ - | 3,210 | \$ 31,966,563 | 860 | \$ 8,600,000 | \$ 8,600,000 | \$ - | 2,350 | \$ 23,392,427 |
| | CPC Corporation, Taiwan | " | - | - | - | - | 2,559 | 25,493,771 | 550 | 5,500,000 | 5,500,000 | - | 2,009 | 20,011,808 |
| | <u>Non-publicly traded equity investments</u> | | | | | | | | | | | | | |
| | JASM | Investments accounted for using equity method | - | - | 58 | 1,383,554 | 962 | 23,150,164 | - | - | - | - | 1,020 | 22,290,954 |
| | TSMC 3DIC | " | - | - | 11 | 270,513 | 38 | 865,370 | - | - | - | - | 49 | 1,106,003 |
| TSMC Global | <u>Capital</u> | | | | | | | | | | | | | |
| | Emerging Fund | Investments accounted for using equity method | - | - | - | 286,205 | - | 572,165 | - | - | - | - | - | 1,272,826 |
| TSMC Global | <u>Corporate bond</u> | | | | | | | | | | | | | |
| | Morgan Stanley | Financial assets at fair value through other comprehensive income | - | - | - | US\$ 65,115 | - | US\$ 22,148 | - | US\$ 4,750 | US\$ 4,678 | US\$ 72 | - | US\$ 76,812 |
| | Bank of America Corporation | " | - | - | - | US\$ 75,265 | - | US\$ 18,472 | - | US\$ 12,205 | US\$ 12,156 | US\$ 49 | - | US\$ 75,386 |
| | Wells Fargo & Company | " | - | - | - | US\$ 38,439 | - | US\$ 24,456 | - | US\$ - | US\$ - | US\$ - | - | US\$ 58,829 |
| | Citigroup Inc. | " | - | - | - | US\$ 49,298 | - | US\$ 16,770 | - | US\$ 5,787 | US\$ 5,779 | US\$ 8 | - | US\$ 56,384 |
| | The Goldman Sachs Group, Inc. | " | - | - | - | US\$ 53,756 | - | US\$ 14,176 | - | US\$ 14,292 | US\$ 14,346 | US\$ (54) | - | US\$ 49,532 |
| | Metropolitan Life Global Funding I | " | - | - | - | US\$ 17,341 | - | US\$ 10,758 | - | US\$ 3,000 | US\$ 3,000 | US\$ - | - | US\$ 24,226 |
| | The Toronto-Dominion Bank | " | - | - | - | US\$ 14,786 | - | US\$ 15,598 | - | US\$ 9,344 | US\$ 9,685 | US\$ (341) | - | US\$ 19,252 |
| | Bank of Montreal | " | - | - | - | US\$ 6,295 | - | US\$ 14,842 | - | US\$ 5,076 | US\$ 4,999 | US\$ 77 | - | US\$ 14,981 |
| | S&P Global Inc. | " | - | - | - | US\$ - | - | US\$ 14,096 | - | US\$ 2,893 | US\$ 2,934 | US\$ (41) | - | US\$ 10,082 |
| | Bank of America Corporation | Financial assets at amortized cost | - | - | - | US\$ - | - | US\$ 388,666 | - | US\$ 23,000 | US\$ 23,000 | US\$ - | - | US\$ 365,654 |
| | The Goldman Sachs Group, Inc. | " | - | - | - | US\$ 51,347 | - | US\$ 461,607 | - | US\$ 171,000 | US\$ 171,000 | US\$ - | - | US\$ 340,683 |
| | Citigroup Global Markets Inc. | " | - | - | - | US\$ 99,968 | - | US\$ 150,000 | - | US\$ - | US\$ - | US\$ - | - | US\$ 249,919 |
| | JPMorgan Chase & Co. | " | - | - | - | US\$ 10,054 | - | US\$ 194,840 | - | US\$ - | US\$ - | US\$ - | - | US\$ 205,628 |
| | Wells Fargo & Company | " | - | - | - | US\$ 30,399 | - | US\$ 159,137 | - | US\$ - | US\$ - | US\$ - | - | US\$ 189,392 |
| | Citigroup Global Markets Holdings Inc. | " | - | - | - | US\$ - | - | US\$ 150,000 | - | US\$ - | US\$ - | US\$ - | - | US\$ 149,951 |
| Goldman Sachs Finance Corp International Ltd. | " | - | - | - | US\$ - | - | US\$ 150,000 | - | US\$ - | US\$ - | US\$ - | - | US\$ 149,870 | |
| Citigroup Inc. | " | - | - | - | US\$ - | - | US\$ 119,897 | - | US\$ 14,000 | US\$ 14,000 | US\$ - | - | US\$ 106,012 | |
| Jpmorgan LLC | " | - | - | - | US\$ - | - | US\$ 50,000 | - | US\$ - | US\$ - | US\$ - | - | US\$ 49,984 | |
| Morgan Stanley | " | - | - | - | US\$ - | - | US\$ 30,255 | - | US\$ - | US\$ - | US\$ - | - | US\$ 30,237 | |
| Banco Bilbao Vizcaya Argentaria, S.A. | " | - | - | - | US\$ - | - | US\$ 10,418 | - | US\$ - | US\$ - | US\$ - | - | US\$ 10,443 | |

(Continued)

| Company Name | Marketable Securities Type and Name | Financial Statement Account | Counterparty | Nature of Relationship | Beginning Balance | | Acquisition | | Disposal | | | | Ending Balance (Note) | |
|--------------|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--------------|------------------------|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|--------------|----------------|-----------------------|-----------------------------|--------------|
| | | | | | Shares/Units (In Thousands) | Amount | Shares/Units (In Thousands) | Amount | Shares/Units (In Thousands) | Amount | Carrying Value | Gain/Loss on Disposal | Shares/Units (In Thousands) | Amount |
| TSMC Global | <u>Government bond</u> United States Department of The Treasury | Financial assets at fair value through other comprehensive income | - | - | - | US\$ 768,483 | - | US\$ 93,078 | - | US\$ 169,332 | US\$ 171,044 | US\$ (1,712) | - | US\$ 633,998 |
| | <u>Agency bonds/Agency mortgage-backed securities</u> FEDERAL NATIONAL MORTGAGE ASSOCIATION | Financial assets at fair value through other comprehensive income | - | - | - | US\$ 460,205 | - | US\$ 251,742 | - | US\$ 152,501 | US\$ 155,377 | US\$ (2,876) | - | US\$ 480,057 |
| | Federal Home Loan Mortgage Corporation | " | - | - | - | US\$ 253,075 | - | US\$ 128,307 | - | US\$ 64,001 | US\$ 65,258 | US\$ (1,257) | - | US\$ 275,758 |
| | Government National Mortgage Association | " | - | - | - | US\$ 285,581 | - | US\$ 75,482 | - | US\$ 153,180 | US\$ 156,329 | US\$ (3,149) | - | US\$ 179,583 |

Note: The ending balance includes the realized gain/loss on equity investment, the amortization of premium/discount on bonds investments and other related adjustment.

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

ACQUISITION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

| Company Name | Types of Property | Transaction Date | Transaction Amount (Foreign Currencies in Thousands) | Payment Term | Counterparty | Nature of Relationships | Prior Transaction of Related Counterparty | | | | Price Reference | Purpose of Acquisition | Other Terms |
|--------------|-------------------|--------------------------|------------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------|---------------|---------------|--------|----------------------------------------|------------------------|-------------|
| | | | | | | | Owner | Relationships | Transfer Date | Amount | | | |
| TSMC | Real estate | February 15, 2022 (Note) | \$ 213,300,000 (Note) | Based on the terms in the purchase order | 122 counterparties(Note), including: ABB Ltd. Accudevice Co., Ltd. Addtron Technology (Japan), Inc. Aegis Technology Co. Air Liquid Japan G.K. Air Liquide Far Eastern Ltd. Air Water Plant Engineering Co., Ltd. Allis Electric Co., Ltd. Am-Power Machine International Enterprise Co., Ltd. Atlas Copco Taiwan Ltd. Atlas Technology Corp. Capital Machinery Limited Chen Yuan International Co., Ltd. Chenfull International Co., Ltd. Cheng Deh Fire Protection Industrial Corp. Chien Kuo Construction Co., Ltd. China Steel Structure Co., Ltd. Chun Yuan Steel Industry Co., Ltd. Chung-Lin General Contractors, Ltd. Chunghwa Telecom Japan Co., Ltd. | - | N/A | N/A | N/A | N/A | Price comparison and price negotiation | Manufacturing purpose | None |

(Continued)

| Company Name | Types of Property | Transaction Date | Transaction Amount (Foreign Currencies in Thousands) | Payment Term | Counterparty | Nature of Relationships | Prior Transaction of Related Counterparty | | | | Price Reference | Purpose of Acquisition | Other Terms |
|--------------|-------------------|------------------|------------------------------------------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------|---------------|---------------|--------|-----------------|------------------------|-------------|
| | | | | | | | Owner | Relationships | Transfer Date | Amount | | | |
| TSMC | Real estate | | | | Cica-Huntek Chemical Technology Taiwan Co., Ltd. Confederate Technology Co., Ltd. Da-Cin Construction Co., Ltd. Desiccant Technology Corporation Eaton Electric Japan Evergreen Steel Corporation Exyte Taiwan Co., Ltd. Fortune Electric Co., Ltd. Fu Tsu Construction Co., Ltd. Fuji Electric Co., Ltd Fuji Furukawa E&C Co., Ltd Green Partners Industry Co., Ltd Hantech Engineering Co., Ltd. Hitachi Energy Ltd. Hsieh Kun Co., Ltd. Hueng Luei Process Industry Co., Ltd. Ingersoll-Rand Southeast Asia (Pte) Ltd. Taiwan Branch (Singapore) J.C. Yang Architect and Associates Japan Material Co., Ltd. JG Environmental Technology Co., Ltd. Jienshian Information Engineering Co., Ltd. JJmr-Clean-Air Solution Tech.Services Co., Ltd. Johnson Controls York Taiwan Co, Ltd. Jusun Instruments Co., Ltd. Kajima Corporation Kanto Chemical Engineering Co., Ltd. Kao Hsin Engineering Co., Ltd. | | | | | | | | |

(Continued)

| Company Name | Types of Property | Transaction Date | Transaction Amount (Foreign Currencies in Thousands) | Payment Term | Counterparty | Nature of Relationships | Prior Transaction of Related Counterparty | | | | Price Reference | Purpose of Acquisition | Other Terms |
|--------------|-------------------|------------------|------------------------------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------|---------------|---------------|--------|-----------------|------------------------|-------------|
| | | | | | | | Owner | Relationships | Transfer Date | Amount | | | |
| TSMC | Real estate | | | | Kedge Construction Co., Ltd. Kinetics Technology Corporation Koei International Corp. Kuken Kogyo Co., Ltd. Kurita Water Industries Ltd., Taiwan Kyudenko Corporation L&K Engineering Co., Ltd. Lead-Fu Industrials Corporation Lee Ming Construction Co., Ltd. Lumax International Corp., Ltd. Mandartech Interiors Inc. Marketech International Corp. Mega Union Technology Incorporated Mitsubishi Heavy Industries Air-Conditioning & Refrigeration Corporation Mitsubishi Heavy Industries, Ltd. NAGASE & CO. LTD. NEC Facilities, Ltd. Organo Corporation Organo Technology Co., Ltd. Ovivo Taiwan Co., Ltd. Pan Asia (Engineers & Constructors) Corporation Quicken System Integration Co., Ltd. Ruentex Engineering & Construction Co., Ltd. SACHEM Inc. San Fu Chemical Co., Ltd. Schneider Electric Taiwan Co., Ltd. Seibu Giken Co., Ltd. Shihlin Electric & Engineering Corporation Shimizu Corporation Siemens Limited | | | | | | | | |

(Continued)

| Company Name | Types of Property | Transaction Date | Transaction Amount (Foreign Currencies in Thousands) | Payment Term | Counterparty | Nature of Relationships | Prior Transaction of Related Counterparty | | | | Price Reference | Purpose of Acquisition | Other Terms |
|--------------|-------------------|------------------|------------------------------------------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------|---------------|---------------|--------|-----------------|------------------------|-------------|
| | | | | | | | Owner | Relationships | Transfer Date | Amount | | | |
| TSMC | Real estate | | | | SN Tech Corporation Solomon Technology Corporation Sumitomo Corporation Swift Engineering Co., Ltd. Taikisha Ltd. Taisei Corporation Taiwan Gleno Enterprise Co., Ltd. Taiwan Obayashi Corporation Taiwan Puritic Corp. Taiyo Nippon Sanso Corporation TASA Construction Corporation Techgo Industrial Co., Ltd. Toshiba Mitsubishi-Electric Industrial Systems Corporation Toyoko Kagaku Co., Ltd. Trane Taiwan Distribution Limited Trusval Technology Co., Ltd. Tung Kang Steel Structure Corp. Uangyih-Tech Industrial Co., Ltd. Unelectra International Corp. United Integrated Services Co., Ltd. Versum Materials Taiwan Co., Ltd. Vertiv Weltall Technology Corporation Wholetech System Hitech Limited Yangtech Engineering Co., Ltd. Yankey Engineering Co., Ltd. Ying Pao Technology Inc. Zhao-Cheng Corp. | | | | | | | | |

(Continued)

| Company Name | Types of Property | Transaction Date | Transaction Amount (Foreign Currencies in Thousands) | Payment Term | Counterparty | Nature of Relationships | Prior Transaction of Related Counterparty | | | | Price Reference | Purpose of Acquisition | Other Terms |
|--------------|-------------------|---------------------|------------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------|---------------|---------------|--------|----------------------------------------|------------------------|-------------|
| | | | | | | | Owner | Relationships | Transfer Date | Amount | | | |
| TSMC | Real estate | May 10, 2022 (Note) | US\$2,147,000 (Note) | Based on the terms in the purchase order | 19 counterparties(Note), including: Southern Taiwan Science Park Bureau, Ministry of Science and Technology | - | N/A | N/A | N/A | N/A | Price comparison and price negotiation | Manufacturing purpose | None |

Note: The disclosures are expected information based on the capital appropriation approved by the Board of Directors (Right-of-use assets are included). The actual information shall be subject to the final purchase order of TSMC.

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

| Company Name | Related Party | Nature of Relationships | Transaction Details | | | | Abnormal Transaction | | Notes/Accounts Payable or Receivable | | Note |
|--------------------|--------------------|-------------------------|---------------------|------------------------------------------------|---------------|--------------------------------------------------------------------|----------------------|---------------|--------------------------------------------------------|---------------|------|
| | | | Purchases/ Sales | Amount (Foreign Currencies in Thousands) | % to Total | Payment Terms | Unit Price | Payment Terms | Ending Balance (Foreign Currencies in Thousands) | % to Total | |
| TSMC | TSMC North America | Subsidiary | Sales | \$1,100,732,622 | 68 | Net 30 days from invoice date (Note) | - | (Note) | \$ 200,684,976 | 81 | |
| | TSMC Nanjing | Subsidiary | Sales | 149,805 | - | Net 30 days from the end of the month of when invoice is issued | - | - | - | - | |
| | GUC | Associate | Sales | 6,683,081 | - | Net 30 days from the end of the month of when invoice is issued | - | - | 918,898 | - | |
| | TSMC Nanjing | Subsidiary | Purchases | 31,276,001 | 26 | Net 30 days from the end of the month of when invoice is issued | - | - | (3,409,873) | 5 | |
| | TSMC China | Subsidiary | Purchases | 20,759,218 | 17 | Net 30 days from the end of the month of when invoice is issued | - | - | (2,630,108) | 4 | |
| | WaferTech | Indirect subsidiary | Purchases | 7,523,614 | 6 | Net 30 days from the end of the month of when invoice is issued | - | - | (972,242) | 2 | |
| | SSMC | Associate | Purchases | 3,457,638 | 3 | Net 30 days from the end of the month of when invoice is issued | - | - | (527,944) | 1 | |
| | VIS | Associate | Purchases | 1,339,151 | 1 | Net 30 days from the end of the month of when invoice is issued | - | - | (141,586) | - | |
| TSMC North America | GUC | Associate of TSMC | Sales | 2,045,044 (US\$ 69,752) | - | Net 30 days from invoice date | - | - | 15,164 (US\$ 477) | - | |
| VisEra Tech | Xintec | Associate of TSMC | Sales | 623,862 | 9 | Net 60 days from the end of the month of when invoice is issued | - | - | 157,088 | 11 | |

Note: The tenor is determined by the payment terms granted to its clients by TSMC North America.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

September 30, 2022

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

| Company Name | Related Party | Nature of Relationships | Ending Balance (Foreign Currencies in Thousands) | Turnover Days (Note 1) | Overdue | | Amounts Received in Subsequent Period | Allowance for Bad Debts |
|--------------------|--------------------|------------------------------------|--------------------------------------------------------|---------------------------|---------|--------------|---------------------------------------------|----------------------------|
| | | | | | Amount | Action Taken | | |
| TSMC | TSMC North America | Subsidiary | \$ 208,824,740 | 42 | \$ - | - | \$ - | \$ - |
| | TSMC Nanjing | Subsidiary | 159,682 | Note 2 | - | - | - | - |
| | GUC | Associate | 918,898 | 27 | - | - | - | - |
| TSMC North America | TSMC | Parent company | 151,818 (US\$ 4,779) | Note 2 | - | - | - | - |
| TSMC China | TSMC Nanjing | The same parent company | 42,944,432 (RMB 9,589,235) | Note 2 | - | - | - | - |
| | TSMC | Parent company | 2,630,108 (RMB 587,283) | 29 | - | - | - | - |
| TSMC Nanjing | TSMC | Parent company | 3,409,873 (RMB 761,398) | 27 | - | - | - | - |
| VisEra Tech | Xintec | Associate of TSMC | 157,088 | 60 | - | - | - | - |
| TSMC Technology | TSMC | The ultimate parent of the Company | 421,502 (US\$ 13,269) | Note 2 | - | - | - | - |
| WaferTech | TSMC | The ultimate parent of the Company | 972,242 | 30 | - | - | - | - |
| | TSMC Development | Parent company | (US\$ 30,606) 189,778 (US\$ 5,974) | Note 2 | - | - | - | - |

Note 1: The calculation of turnover days excludes other receivables from related parties.

Note 2: The ending balance is primarily consisted of other receivables, which is not applicable for the calculation of turnover days.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(Amounts in Thousands of New Taiwan Dollars)

| No. | Company Name | Counterparty | Nature of Relationship (Note 1) | Intercompany Transactions | | | |
|-----------------------------|--------------|-----------------------------------|---------------------------------|---------------------------------------------------------|------------------|-------------------------|--------------------------------------------------------|
| | | | | Financial Statements Item | Amount | Terms (Note 2) | Percentage of Consolidated Net Revenue or Total Assets |
| 0 | TSMC | TSMC North America | 1 | Net revenue from sale of goods | \$ 1,100,732,622 | - | 67% |
| | | | | Receivables from related parties | 200,684,976 | - | 4% |
| | | | | Other receivables from related parties | 8,139,764 | - | - |
| | | | | Accrued expenses and other current liabilities | 89,108,075 | - | 2% |
| | | | | Other noncurrent liabilities | 165,996,671 | - | 4% |
| | | | | JASM | 1 | Other noncurrent assets | 3,581,617 |
| | | TSMC JDC | 1 | Research and development expenses | 358,030 | - | - |
| | | TSMC 3DIC | 1 | Research and development expenses | 625,396 | - | - |
| | | TSMC Europe | 1 | Marketing expenses-commission | 402,743 | - | - |
| | | TSMC China | 1 | Purchases | 20,759,218 | - | 1% |
| | | | | Payables to related parties | 2,630,108 | - | - |
| | | TSMC Nanjing | 1 | Purchases | 31,276,001 | - | 2% |
| | | | | Proceeds from disposal of property, plant and equipment | 640,953 | - | - |
| Payables to related parties | 3,409,873 | | | - | - | | |
| TSMC Technology | 1 | Research and development expenses | 2,467,603 | - | - | | |
| WaferTech | 1 | Purchases | 7,523,614 | - | - | | |
| | | Payables to related parties | 972,242 | - | - | | |
| 1 | TSMC China | TSMC Nanjing | 3 | Other receivables from related parties | 42,944,432 | - | 1% |

Note 1: No. 1 represents the transactions from parent company to subsidiary.

No. 3 represents the transactions between subsidiaries.

Note 2: The sales prices and payment terms of intercompany sales are not significantly different from those to third parties. For other intercompany transactions, prices and terms are determined in accordance with mutual agreements.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

| Investor Company | Investee Company | Location | Main Businesses and Products | Original Investment Amount | | Balance as of September 30, 2022 | | | Net Income (Losses) of the Investee (Foreign Currencies in Thousands) | Share of Profits/Losses of Investee (Note 1) (Foreign Currencies in Thousands) | Note |
|------------------|--------------------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------|----------------------------------|-------------------------|--------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------------|------------|
| | | | | September, 2022 (Foreign Currencies in Thousands) | December 31, 2021 (Foreign Currencies in Thousands) | Shares (In Thousands) | Percentage of Ownership | Carrying Value (Foreign Currencies in Thousands) | | | |
| TSMC | TSMC Global | Tortola, British Virgin Islands | Investment activities | \$ 355,162,309 | \$ 355,162,309 | 11 | 100 | \$ 421,208,004 | \$ 3,410,221 | \$ 3,410,221 | Subsidiary |
| | TSMC Partners | Tortola, British Virgin Islands | Investing in companies involved in the semiconductor design and manufacturing, and other investment activities | 31,456,130 | 31,456,130 | 988,268 | 100 | 65,176,420 | 2,103,490 | 2,103,490 | Subsidiary |
| | JASM | Kumamoto, Japan | Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices | 24,567,085 | 1,416,921 | 1,020 | 71 | 22,290,954 | (236,413) | (197,218) | Subsidiary |
| | TSMC Arizona | Phoenix, Arizona, U.S.A. | Manufacturing, sales and testing of integrated circuits and other semiconductor devices | 21,643,300 | 21,643,300 | 770 | 100 | 13,954,855 | (6,168,148) | (6,168,148) | Subsidiary |
| | VIS | Hsin-Chu, Taiwan | Manufacturing, sales, packaging, testing and computer-aided design of integrated circuits and other semiconductor devices and the manufacturing and design service of masks | 10,180,677 | 10,180,677 | 464,223 | 28 | 12,763,668 | 12,801,311 | 3,621,948 | Associate |
| | VisEra Tech | Hsin-Chu, Taiwan | Research, design, development, manufacturing, sales, packaging and test of color filter | 4,224,082 | 4,224,082 | 213,619 | 68 | 11,307,593 | 1,528,701 | 1,093,449 | Subsidiary |
| | SSMC | Singapore | Manufacturing and sales of integrated circuits and other semiconductor devices | 5,120,028 | 5,120,028 | 314 | 39 | 8,845,688 | 2,556,035 | 991,486 | Associate |
| | TSMC North America | San Jose, California, U.S.A | Sales and marketing of integrated circuits and other semiconductor devices | 333,718 | 333,718 | 11,000 | 100 | 5,439,500 | (132,523) | (132,523) | Subsidiary |
| | Xintec | Taoyuan, Taiwan | Wafer level chip size packaging and wafer level post passivation interconnection service | 1,988,317 | 1,988,317 | 111,282 | 41 | 3,340,497 | 1,529,860 | 627,382 | Associate |
| | GUC | Hsin-Chu, Taiwan | Researching, developing, manufacturing, testing and marketing of integrated circuits | 386,568 | 386,568 | 46,688 | 35 | 1,693,668 | 2,364,050 | 823,622 | Associate |
| | Emerging Fund | Cayman Islands | Investing in technology start-up companies | 870,783 | 298,618 | - | 99.9 | 1,272,826 | (6,213) | (6,207) | Subsidiary |
| | TSMC 3DIC | Yokohama, Japan | Engineering support activities | 1,144,356 | 278,986 | 49 | 100 | 1,106,003 | 26,126 | 26,126 | Subsidiary |
| | TSMC Europe | Amsterdam, the Netherlands | Customer service and supporting activities | 15,749 | 15,749 | - | 100 | 523,996 | 19,671 | 19,671 | Subsidiary |
| | TSMC JDC | Yokohama, Japan | Engineering support activities | 410,680 | 410,680 | 15 | 100 | 345,660 | 10,495 | 10,495 | Subsidiary |
| | VTAF III | Cayman Islands | Investing in technology start-up companies | 1,321,594 | 1,321,594 | - | 98 | 345,392 | (5,129) | (5,027) | Subsidiary |
| | TSMC Japan | Yokohama, Japan | Customer service and supporting activities | 83,760 | 83,760 | 6 | 100 | 125,604 | 5,032 | 5,032 | Subsidiary |
| | VTAF II | Cayman Islands | Investing in technology start-up companies | 260,300 | 260,300 | - | 98 | 77,309 | 657 | 644 | Subsidiary |
| | TSMC Korea | Seoul, Korea | Customer service and supporting activities | 13,656 | 13,656 | 80 | 100 | 40,209 | 1,326 | 1,326 | Subsidiary |
| | TSMC Partners | TSMC Development | Delaware, U.S.A | Investing in companies involved in semiconductor manufacturing | 18,644,698 | 18,644,698 | - | 100 | 37,091,905 | 1,857,071 | Note 2 |
| TSMC Technology | | Delaware, U.S.A | Engineering support activities | (US\$ 586,939) | (US\$ 586,939) | - | 100 | (US\$1,167,661) | (US\$ 63,468) | Note 2 | Subsidiary |
| TSMC Canada | | Ontario, Canada | Engineering support activities | (US\$ 14,282) | (US\$ 14,282) | 2,300 | 100 | (US\$ 30,707) | (US\$ 502) | Note 2 | Subsidiary |
| | | | | (US\$ 2,300) | (US\$ 2,300) | | | (US\$ 10,093) | (US\$ 792) | | |
| VTAF III | Growth Fund | Cayman Islands | Investing in technology start-up companies | 82,711 | 82,711 | - | 100 | 264,420 | (412) | Note 2 | Subsidiary |
| | Mutual-Pak | New Taipei, Taiwan | Manufacturing of electronic parts, wholesaling and retailing of electronic materials, and researching, developing and testing of RFID | (US\$ 2,604) | (US\$ 2,604) | 4,693 | 28 | (US\$ 8,324) | (US\$ (14)) | Note 2 | Associate |
| | | | (US\$ 1,593) | (US\$ 1,593) | | | (US\$ 624) | (US\$ (378)) | | | |

(Continued)

| Investor Company | Investee Company | Location | Main Businesses and Products | Original Investment Amount | | Balance as of September 30, 2022 | | | Net Income (Losses) of the Investee (Foreign Currencies in Thousands) | Share of Profits/Losses of Investee (Note 1) (Foreign Currencies in Thousands) | Note |
|------------------|------------------|-------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|----------------------------------|-------------------------|--------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------------|------------|
| | | | | September, 2022 (Foreign Currencies in Thousands) | December 31, 2021 (Foreign Currencies in Thousands) | Shares (In Thousands) | Percentage of Ownership | Carrying Value (Foreign Currencies in Thousands) | | | |
| TSMC Development | WaferTech | Washington, U.S.A | Manufacturing, sales and testing of integrated circuits and other semiconductor devices | \$ - | \$ - | 293,637 | 100 | \$ 6,828,670 (US\$ 214,968) | \$ 1,716,388 (US\$ 58,738) | Note 2 | Subsidiary |

Note 1: The share of profits/losses of investee includes the effect of unrealized gross profit on intercompany transactions.

Note 2: The share of profits/losses of the investee company is not reflected herein as such amount is already included in the share of profits/losses of the investor company.

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

**INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

| Investee Company | Main Businesses and Products | Total Amount of Paid-in Capital (RMB in Thousands) | Method of Investment | Accumulated Outflow of Investment from Taiwan as of January 1, 2022(US\$ in Thousands) | Investment Flows | | Accumulated Outflow of Investment from Taiwan as of September 30, 2022(US\$ in Thousands) | Net Income (Losses) of the Investee Company | Percentage of Ownership | Share of Profits/Losses | Carrying Amount as of September 30, 2022 | Accumulated Inward Remittance of Earnings as of September, 2022 |
|------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------|----------------------|----------------------------------------------------------------------------------------|-----------------------------|--------|-------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------|--------------------------|------------------------------------------|-----------------------------------------------------------------|
| | | | | | Outflow (US\$ in Thousands) | Inflow | | | | | | |
| TSMC China | Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices | \$ 18,939,667 (RMB 4,502,080) | Note 1 | \$ 18,939,667 (US\$ 596,000) | \$ - | \$ - | \$ 18,939,667 (US\$ 596,000) | \$ 9,207,667 | 100% | \$ 8,994,811 (Note 2) | \$ 84,937,968 | \$ - |
| TSMC Nanjing | Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices | 30,521,412 (RMB 6,650,119) | Note 1 | 30,521,412 (US\$ 1,000,000) | - | - | 30,521,412 (US\$ 1,000,000) | 15,689,153 | 100% | 15,686,282 (Note 2) | 63,427,512 | - |

| Accumulated Investment in Mainland China as of September 30, 2022 (US\$ in Thousands) | Investment Amounts Authorized by Investment Commission, MOEA (US\$ in Thousands) | Upper Limit on Investment |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------|
| \$ 49,461,079 (US\$ 1,596,000) | \$ 119,412,667 (US\$ 3,596,000) | \$ 1,651,389,695 (Note 3) |

Note 1: TSMC directly invested US\$596,000 thousand in TSMC China and US\$1,000,000 thousand in TSMC Nanjing.

Note 2: Amount was recognized based on the reviewed financial statements.

Note 3: The upper limit on investment in mainland China is determined by sixty percent (60%) of the Company's consolidated net worth.

Taiwan Semiconductor Manufacturing Company Limited

**INFORMATION ON MAJOR SHAREHOLDERS
SEPTEMBER 30, 2022**

| Shareholders (Note) | Shares | |
|------------------------------------------------------|--------------------|----------------------|
| | Total Shares Owned | Ownership Percentage |
| ADR-Taiwan Semiconductor Manufacturing Company, Ltd. | 5,319,975,808 | 20.52% |
| National Development Fund, Executive Yuan | 1,653,709,980 | 6.38% |

Note: Major shareholders shows the list of all shareholders with ownership of 5 percent or greater.