

Taiwan Semiconductor Manufacturing Company Limited

2025 Annual Shareholders' Meeting

Meeting Agenda
(Translation)

June 3, 2025

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1. Call Meeting to Order

2. Meeting Agenda

Taiwan Semiconductor Manufacturing Company Limited
2025 Annual Shareholders' Meeting
Meeting Agenda
(Translation)

Type of Meeting: Physical Meeting

Time: 9:00 a.m., June 3, 2025

Place: Sheraton Hsinchu Hotel

(3F, No. 265, Dong Sec. 1, Guangming 6th Rd., Zhubei City, Hsinchu
County, Taiwan)

Attendants: All shareholders or their proxy holders

Chairman: Dr. C.C. Wei, Chairman of the Board of Directors

1. Chairman's Address

2. Report Items

- (1) To report the business of 2024
- (2) 2024 Audit and Risk Committee's review report
- (3) To report 2024 earnings distribution
- (4) To report 2024 directors' compensation
- (5) To report 2024 employees' profit sharing bonuses
- (6) To report the issuance of unsecured corporate bonds
- (7) To report the implementation of shares buyback

3. Proposed Resolutions

- (1) To accept 2024 Business Report and Financial Statements
- (2) To revise the Articles of Incorporation

Voting by Poll

4. Other Business and Special Motion

5. Meeting Adjourned

Report Items

1. To report the business of 2024

Explanatory Notes : Please refer to Attachment I.

2. 2024 Audit and Risk Committee's review report

Explanatory Notes : Please refer to Attachment II.

3. To report 2024 earnings distribution

Explanatory Notes :

TSMC's Articles of Incorporation authorize the Board of Directors to approve quarterly cash dividends. The amounts and payment dates of 2024 quarterly cash dividends are demonstrated in the table below:

2024	Approval Date (month/day/year)	Payment Date (month/day/year)	Cash Dividend Per Share (NT\$)	Total Amount (NT\$)
First Quarter	05/10/2024	10/09/2024	4.00013820 ^(Note 1)	103,734,516,968
Second Quarter	08/13/2024	01/09/2025	3.99963706 ^(Note 1)	103,721,520,968
Third Quarter	11/12/2024	04/10/2025	4.50002042 ^(Note 1)	116,697,299,589
Fourth Quarter	02/12/2025	07/10/2025	4.50 ^(Note 2)	116,697,299,589

Note 1: The cash dividend per share was adjusted, as authorized by the Board of Directors, based on the actual number of common shares outstanding as of the record date for such dividend payment.

Note 2: The actual cash dividend per share shall be subject to adjustment based on the actual number of common shares outstanding as of the record date for such dividend payment.

4. To report 2024 directors' compensation

Explanatory Notes :

- (1) The 2024 directors' compensation is NT\$358,989,109. The directors' compensation is to be distributed in cash.
- (2) For the directors' remuneration, including the remuneration policy, the details and amount of the remuneration received by individual directors, please refer to Attachment III.

5. To report 2024 employees' profit sharing bonuses

Explanatory Notes :

- (1) The 2024 employees' profit sharing bonuses were approved by the Board of Directors in its meeting for the first quarter of 2025. The employees' profit sharing bonuses are to be distributed in cash.
- (2) The total amount of the 2024 employees' business performance bonuses and profit sharing bonuses is NT\$140,592,566,222, of which NT\$70,296,283,111 has been distributed following each quarter of 2024 as business performance bonuses, and NT\$70,296,283,111 will be distributed in July 2025 as profit sharing bonuses.

6. To report the issuance of unsecured corporate bonds

Explanatory Notes :

As approved by TSMC's Board of Directors, in 2024, the Company completed two issuances of NT dollar-denominated corporate bonds in Taiwan for a total amount of NT\$34.3 billion to finance capacity expansion and/or pollution prevention related expenditures. The amount and major terms for these issuances are demonstrated in the table below:

(Amount in NT\$ billion)

Issuance	Issue Date (month/day/year)	Tranche	Amount	Tenor (year)	Coupon (%)	Maturity Date (month/day/year)
113-1 (Green Bond)	03/15/2024	A	12.0	5	1.64	03/15/2029
		B	10.8	10	1.76	03/15/2034
113-2 (Green Bond)	05/17/2024	A	4.9	5	1.98	05/17/2029
		B	6.6	10	2.10	05/17/2034
Interest Payment		Payable annually				
Principal Repayment		Bullet at maturity				

7. To report the implementation of shares buyback

Explanatory Notes :

In order to offset the dilution from the increase of outstanding shares due to Employee Restricted Stock Awards (RSAs) issuance, the Board of Directors approved a share buyback program for TSMC on June 5, 2024 to buy back 3,249,000 common shares on Taiwan Stock Exchange.

TSMC has completed this share buyback program. The following table sets forth the implementation results:

Item	Explanation
Date of Board resolution	June 5, 2024
Purpose of the share buyback	For the shareholders' interests
Method of the share buyback	Buy back common shares on Taiwan Stock Exchange
Scheduled buyback period	From June 6, 2024 to August 5, 2024
Approved number of shares to be bought back	3,249,000 shares
Scheduled buyback price range	NT\$598 to NT\$1,281 per share, while the buyback will still be carried out if the stock price falls below the aforementioned range
Actual buyback period	From June 14, 2024 to June 28, 2024
Actual number of shares bought back (as a percentage of the total number of TSMC's issued shares)	3,249,000 shares (0.01%)
Total monetary amount of shares bought back	NT\$3,089,176,471
The average buyback price per share	NT\$950.81

Proposed Resolutions

1. To accept 2024 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanatory Notes :

- (1) TSMC's 2024 Financial Statements, including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows, were audited by independent auditors, Mr. Shih Tsung Wu and Mr. Shang Chih Lin, of Deloitte & Touche.
- (2) 2024 Business Report, Independent Auditors' Report, the aforementioned Financial Statements, and Earnings Distribution Table are attached hereto as Attachments I, IV, V and VI.

2. To revise the Articles of Incorporation (Proposed by the Board of Directors)

Explanatory Notes :

- (1) In 2024, the R.O.C. "Securities and Exchange Act" was amended to require a listed company to specify in its Articles of Incorporation a percentage of its annual profits to be allocated for salary adjustments or profit sharing bonuses for its entry-level employees. The relevant provision of TSMC's Articles of Incorporation shall be amended accordingly.

Article 33 of TSMC's Articles of Incorporation currently provides that the Company shall allocate at least 1% of profits as profit sharing bonuses to employees. It is proposed to further add to this Article that at least 30% of the above profit sharing bonuses for all employees shall be distributed to entry-level employees.

- (2) The Comparison Table for the Articles of Incorporation Before and After Revision is attached hereto as Attachment VII.

Voting by Poll :

Other Business and Special Motion

Meeting Adjourned

3. Attachment

Business Report

2024 was an outstanding year for TSMC. Supported by our strong technology leadership and broad customer base, we observed robust AI-related demand from our customers throughout 2024. Other applications experienced only a very mild recovery, as macroeconomic conditions continued to weigh on consumer sentiment. Fueled by strong demand for our leading-edge logic and advanced packaging technologies, TSMC's revenue increased 30% year-over-year in US dollar terms, outperforming the Foundry industry's 6% growth, and both our revenue and EPS reached record highs.

We continued to invest in R&D and technology development to support our customers' growth. In its second year of volume ramp, demand for our industry-leading 3-nanometer technology continued to be robust, driven by smartphone and High Performance Computing (HPC) applications, and represented 18% of our total wafer revenue in 2024.

Our 2-nanometer technology leads the industry in addressing our customers' insatiable need for energy-efficient computing, and almost all the IC innovators are working with TSMC. Our N2 process technology is on track for volume production in the second half of 2025. We also introduced A16 as a separate offering that features an innovative, best-in-class backside power delivery solution best-suited for High Performance Computing (HPC) products. Volume production of A16 is scheduled for the second half of 2026.

We are also developing advanced packaging and 3D chip stacking technologies, including CoWoS[®], InFO, TSMC-SoIC[®] (System on Integrated Chips) and silicon photonics, to enable large-scale interconnectivity for lower power consumption at affordable costs to support our customers' needs.

On mature nodes, we are working closely with strategic customers to develop specialty technology solutions that meet their specific requirement. These partnerships enable us to create technology differentiation and provide long-lasting value to customers.

We believe N3, N2, A16 and their derivatives, our specialty technologies, and our advanced packaging and chip stacking solutions, will further extend our technology leadership position, and enable TSMC to capture the growth opportunities well into the future.

Our customers look to TSMC not only for the most advanced technologies, but also for the most efficient and cost-effective manufacturing, at scale. To address the

structural increase in the long-term market demand profile, TSMC is working closely with our customers to plan our capacity, and investing in leading edge, specialty and advanced packaging technologies to support their demand.

We employ a disciplined and thorough capacity planning system to evaluate and judge the structural increase in the long-term market demand profile, to determine the appropriate capacity to build.

At the same time, we are committed to earning a sustainable and healthy return that enables us to continue to invest to support our customers' growth, while delivering profitable growth for our shareholders.

Part of this strategy includes expanding our global manufacturing footprint based on our customers' needs, as they value geographic flexibility, and a necessary level of government support. This is to maximize the value for our shareholders.

We have made significant progress in our overseas expansion in 2024. In Arizona, our first fab entered high-volume production utilizing N4 process technology in 4Q'24, earlier than scheduled. The yields are comparable to our fabs in Taiwan, and with our manufacturing capability and execution, we are confident to deliver the same level of manufacturing quality and reliability as our fabs in Taiwan.

In Japan, our first specialty technology fab in Kumamoto began volume production at the end of 2024, with very good yield. In Europe, we held a ground-breaking ceremony in Dresden, Germany in August, and are progressing smoothly with our plans to build a specialty technology fab, focusing on automotive and industrial applications.

In Taiwan, we continue to invest in and expand our advanced technology and packaging capacities, including 3nm, 2nm and CoWoS[®] technology capacities, across several locations.

As the world's most reliable and effective capacity provider, TSMC will continue to play a critical and integral role in the global semiconductor industry, while supporting our customers' growth.

Highlights of TSMC's accomplishments in 2024:

- Total wafer shipments were 12.9 million 12-inch equivalent wafers as compared to 12.0 million 12-inch equivalent wafers in 2023.
- Advanced technologies (7-nanometer and beyond) accounted for 69 percent of total wafer revenue, up from 58 percent in 2023.
- We deployed 288 distinct process technologies, and manufactured 11,878 products for 522 customers.
- TSMC represented 34 percent of the Foundry 2.0 industry, which we define as

all logic wafer manufacturing, packaging, testing, mask-making and others, output value in 2024, as compared to 28 percent in the previous year.

2024 Financial Performance

Consolidated revenue reached NT\$2,894.31 billion, an increase of 33.9 percent over NT\$2,161.74 billion in 2023. Net income was NT\$1,173.27 billion and diluted earnings per share were NT\$45.25. Both increased 39.9 percent from the 2023 level of NT\$838.50 billion net income and NT\$32.34 diluted EPS.

In US dollar terms, TSMC generated net income of US\$36.52 billion on consolidated revenue of US\$90.08 billion, which increased 35.9 percent and 30.0 percent respectively from the 2023 level of US\$26.88 billion net income and US\$69.30 billion consolidated revenue.

Gross profit margin was 56.1 percent as compared with 54.4 percent in 2023, while operating profit margin was 45.7 percent compared with 42.6 percent a year earlier. Net profit margin was 40.5 percent, an increase of 1.7 percentage points from 2023's 38.8 percent.

In 2024, the Company further raised its total cash dividend payments to NT\$14.0 per share, up from NT\$11.25 a year ago.

Outlook

Entering 2025, we expect the overall foundry industry to continue a sustaining and mild recovery, even as macroeconomic uncertainties persist. At the same time, we expect 2025 to be another healthy growth year for TSMC, as our technology leadership enables TSMC to win business, and further enables our customers to win business in their end markets.

Continued AI-related demand in 2025 supports our already-strong conviction that the structural demand for energy-efficient computing will accelerate, as everything around us becomes more intelligent and connected.

We are entering an AI-empowered world, where artificial intelligence not only runs in datacenters, but will run in PCs, smartphones, automobiles, and even Internet-of-Things devices in the future.

AI also comes in many different forms, including but not limited to Generative AI applications such as ChatGPT, which consumers have become familiar with thanks to its ease of use and expansive range of potential applications.

Enterprise is another driver of AI demand. Many companies, including TSMC, are using AI to create more value by driving greater productivity, efficiency, speed and quality gains. As a direct user of AI in our fab and R&D operations, we are deriving

tangible ROI benefits from our investments in AI and machine learning. TSMC is by no means the only company in the world doing this, so Enterprise AI is another source of AI demand to support the multi-year structural trends.

AI technology is evolving to use ever-increasingly complex AI models, which needs to be supported by more powerful semiconductor hardware.

Thus, the value of our technology platform is increasing, as customers rely on TSMC to provide the most advanced process and packaging technologies at scale, in the most efficient and cost-effective manner.

By upholding our Trinity of Strengths of Technology Leadership, Manufacturing Excellence, and Customer Trust, we can cast a wide net and work with all the IC innovators, and enable our customers to unleash their innovations in their end markets.

Thus, we are well-positioned to address the growth from the industry megatrends of 5G, AI and HPC, with our differentiated technologies.

TSMC's mission is to be the trusted technology and capacity provider for the global logic IC industry for years to come. Our success is predicated on our unwavering dedication to the pure-play foundry business model, and our job is to serve our customers and enable them to be successful.

As the world's most reliable and effective capacity provider, we understand our responsibility as critical and integral player in the global semiconductor industry. We will continue to invest in technology and capacity to support our customers' growth, while ensuring we earn a sustainable and healthy return for our shareholders.

It is TSMC's core values of Integrity, Commitment, Innovation, and Customer Trust that have earned our customers' confidence to grow and prosper together. We hope to earn the same confidence from our shareholders, by continuing to deliver profitable growth and maximizing the value for our shareholders in the years to come.

Audit and Risk Committee's Review Report

The Board of Directors has prepared the Company's 2024 Business Report, Financial Statements, and proposal for allocation of quarterly earnings. The CPA firm of Deloitte & Touche was retained to audit TSMC's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and quarterly earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit and Risk Committee members of Taiwan Semiconductor Manufacturing Company Limited. According to relevant requirements of the Securities and Exchange Act and the Company Law, we hereby submit this report.

Taiwan Semiconductor Manufacturing Company Limited

Chairman of the Audit and Risk Committee:

A handwritten signature in black ink, appearing to read 'P. L. Bonfield', is written over a solid horizontal line.

Sir Peter L. Bonfield

February 12, 2025

2024 Directors' Remuneration

Remuneration of Directors and Independent Directors (Note 1)

Title/Name	Director's Remuneration										Compensation to a Director Who is an Employee of TSMC or of TSMC's Consolidated Entities				Sum of (A+B+C+D+E)+F+G and Ratio to Net Income (Note 10)		Compensation to Directors from Non-consolidated Affiliates or Parent Company								
	Severance Pay and Pensions (B) (Note 7)					Compensation to Directors (C) (Note 8)					Allowances (D) (Note 9)				Sum of (A+B+C+D) and Ratio to Net Income			From TSMC Consolidated Entities	From All Consolidated Entities						
	Base Compensation (A)		From TSMC		From All Consolidated Entities		From TSMC		From All Consolidated Entities		From TSMC		From All Consolidated Entities		From TSMC	From All Consolidated Entities									
	From TSMC	From All Consolidated Entities	From TSMC	From All Consolidated Entities	From TSMC	From All Consolidated Entities	From TSMC	From All Consolidated Entities	From TSMC	From All Consolidated Entities	Cash	Stock (Fair Market Value)	Stock (Fair Market Value)	Cash				From TSMC	From All Consolidated Entities						
Former Chairman Mark Liu (Note 2)	146,109,128	146,109,128	116,599	116,599	199,558,100	199,558,100	808,030	808,030	346,591,857	346,591,857	0.0296%	0.0296%	-	-	628,180,752	628,180,752	288,458	288,458	317,893,824	317,893,824	346,591,857	346,591,857	0.0296%	0.0296%	-
Chairman & CEO C.C. Wei (Note 3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	288,458	288,458	317,893,824	317,893,824	946,363,034	946,363,034	0.0807%	0.0807%	-
Director F.C. Tseng	-	-	-	-	13,337,425	13,337,425	1,086,975	1,086,975	14,424,400	14,424,400	0.0012%	0.0012%	-	-	-	-	-	-	-	-	14,424,400	14,424,400	0.0012%	0.0012%	18,715,133
Director Executive Yuan Representative: Chia-Ching Lin (Note 4)	-	-	-	-	13,337,425	13,337,425	-	-	13,337,425	13,337,425	0.0011%	0.0011%	-	-	-	-	-	-	-	-	13,337,425	13,337,425	0.0011%	0.0011%	-
Independent Director Sir Peter L. Bonfield	-	-	-	-	21,397,147	21,397,147	-	-	21,397,147	21,397,147	0.0018%	0.0018%	-	-	-	-	-	-	-	-	21,397,147	21,397,147	0.0018%	0.0018%	-
Independent Director Kok-Choo Chen (Note 5)	-	-	-	-	7,949,011	7,949,011	-	-	7,949,011	7,949,011	0.0007%	0.0007%	-	-	-	-	-	-	-	-	7,949,011	7,949,011	0.0007%	0.0007%	-
Independent Director Michael R. Splinter	-	-	-	-	21,397,147	21,397,147	-	-	21,397,147	21,397,147	0.0018%	0.0018%	-	-	-	-	-	-	-	-	21,397,147	21,397,147	0.0018%	0.0018%	-
Independent Director Moshe N. Gavrielov	-	-	-	-	21,397,147	21,397,147	-	-	21,397,147	21,397,147	0.0018%	0.0018%	-	-	-	-	-	-	-	-	21,397,147	21,397,147	0.0018%	0.0018%	-
Independent Director Yancey Hat (Note 5)	-	-	-	-	7,949,011	7,949,011	-	-	7,949,011	7,949,011	0.0007%	0.0007%	-	-	-	-	-	-	-	-	7,949,011	7,949,011	0.0007%	0.0007%	-
Independent Director L. Rafael Reif	-	-	-	-	21,397,147	21,397,147	-	-	21,397,147	21,397,147	0.0018%	0.0018%	-	-	-	-	-	-	-	-	21,397,147	21,397,147	0.0018%	0.0018%	-
Independent Director Ursula M. Burns (Note 6)	-	-	-	-	11,276,780	11,276,780	-	-	11,276,780	11,276,780	0.0010%	0.0010%	-	-	-	-	-	-	-	-	11,276,780	11,276,780	0.0010%	0.0010%	-
Independent Director Lynn L. Elserhans (Note 6)	-	-	-	-	11,276,780	11,276,780	-	-	11,276,780	11,276,780	0.0010%	0.0010%	-	-	-	-	-	-	-	-	11,276,780	11,276,780	0.0010%	0.0010%	-
Independent Director Chuan Lin (Note 6)	-	-	-	-	8,715,989	8,715,989	-	-	8,715,989	8,715,989	0.0007%	0.0007%	-	-	-	-	-	-	-	-	8,715,989	8,715,989	0.0007%	0.0007%	-
Total	146,109,128	146,109,128	116,599	116,599	358,989,109	358,989,109	1,895,005	1,895,005	507,109,841	507,109,841	0.0432%	0.0432%	0	0	628,180,752	628,180,752	288,458	288,458	317,893,824	317,893,824	1,453,472,875	1,453,472,875	0.1239%	0.1239%	18,715,133

* Other than disclosure in the above table, Directors remunerations earned by providing services (e.g. providing consulting services as a non-employee of parent company/ all consolidated entities/ non-consolidated affiliates) to TSMC and all consolidated entities in the 2024 financial statements: Dr. F.C. Tseng for NT\$18,944,515.

Note 1: Directors and Independent Directors' remuneration policies, procedures, standards and structures as well as the linkage to responsibilities, risks and time spent: According to TSMC's Articles of Incorporation, the Board of Directors is authorized to determine the salary for the Chairman, Vice Chairman and Directors, taking into account the extent and value of the services provided for the management of the Corporation and the standards of the industry within the R.O.C. and overseas.

Note 2: The Articles of Incorporation also provide that the compensation to directors shall be no more than 0.3% of annual profits and directors who also serve as executive officers of TSMC are not entitled to receive compensation to directors. According to TSMC's Compensation and People Development Committee Charter, the distribution of compensation to directors shall be made in accordance with TSMC's "Rules for Distribution of Compensation to Directors" based on the following principles: (1) directors who also serve as executive officers of the Company are not entitled to receive compensation; (2) the compensation for independent directors may be higher than other directors because they serve on multiple committees, requiring their participation in discussions and resolutions according to each Committee's charter; and (3) the compensation for overseas independent directors, as they require additional time to attend quarterly meetings in Taiwan.

Note 3: Former Chairman Dr. Mark Liu retired after the Annual Shareholders' Meeting on June 4, 2024.

Note 4: Mr. C.C. Wei was elected as Chairman and Chief Executive Officer (CEO), effective June 4, 2024.

Note 5: Mr. Chia-Ching Lin was appointed as the representative of the National Development Fund succeeding Mr. Ming-Hsin Kung on June 6, 2024.

Note 6: Ms. Ursula M. Burns, Ms. Lynn L. Elserhans, and Mr. Yancey Hat expired on June 4, 2024.

Note 7: Pensions funded according to applicable law.

Note 8: The compensation of directors was expensed based on the estimated payment amounts. If the actual amounts subsequently paid differ from the above estimated amounts, the differences will be recorded in the year fully paid as a change in accounting estimate.

Note 9: The above-mentioned figures include expenses for Company cars and related reimbursements, but do not include compensation of Company drivers (totalled NT\$3,666,280).

Note 10: Total remuneration of the directors from TSMC and from all consolidated entities in 2023, including their employee compensation, both accounted for 0.1411% of 2023 net income.

**Independent Auditors' Report
(Consolidated Financial Statements)**

The Board of Directors and Shareholders
Taiwan Semiconductor Manufacturing Company Limited

Opinion

We have audited the accompanying consolidated financial statements of Taiwan Semiconductor Manufacturing Company Limited and its subsidiaries (the “Company”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most

significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Company's consolidated financial statements for the year ended December 31, 2024 is stated as follows:

Property, plant and equipment (PP&E) – commencement of depreciation related to PP&E classified as equipment under installation and construction in progress (EUI/CIP)

Refer to Notes 4, 5 and 14 to the consolidated financial statements.

The Company's evaluation of when to commence depreciation of EUI/CIP involves determining when the assets are available for their intended use. The criteria the Company uses to determine whether EUI/CIP are available for their intended use involves subjective judgments and assumptions about the conditions necessary for the assets to be capable of operating in the intended manner. Changes in these assumptions could have a significant impact on when depreciation is recognized.

Given the subjectivity in determining the date to commence depreciation of EUI/CIP, performing audit procedures to evaluate the reasonableness of the Company's judgments and assumptions required a high degree of auditor judgment. Consequently, the validity of commencement of depreciation related to PP&E classified as EUI/CIP is identified as a key audit matter.

Our audit procedures related to the evaluation of when to commence depreciation of EUI/CIP included the following, among others:

1. We read the Company's policy and understood the criteria used to determine when to commence depreciation.
2. We tested the effectiveness of the controls over the evaluation of when to commence depreciation of EUI/CIP.
3. We sampled the year-end balance of EUI/CIP and performed the following for each selection:
 - a. Evaluated whether the selection did not meet the criteria specified by the Company for commencement of depreciation.
 - b. Observed the assets and evaluated their status.

4. We sampled and evaluated whether the selection of EUI/CIP met the criteria specified by the Company for commencement of depreciation during the year.
5. We sampled and evaluated whether the selection of EUI/CIP met the criteria specified by the Company for commencement of depreciation subsequent to year end.

Other Matter

We have also audited the parent company only financial statements of Taiwan Semiconductor Manufacturing Company Limited as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for 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 the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit and Risk Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

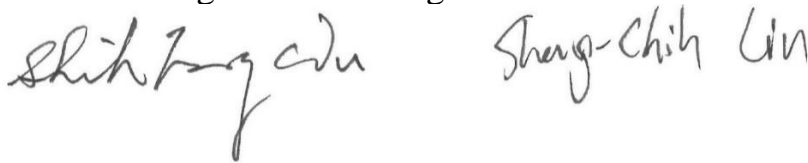
1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shih Tsung Wu and Shang Chih Lin.

The image shows two handwritten signatures in black ink. The signature on the left is 'Shih Tsung Wu' and the signature on the right is 'Shang-Chih Lin'. Both are written in a cursive, flowing style.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 12, 2025

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 audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' 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' report and consolidated financial statements shall prevail.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 2,127,627,043	32	\$ 1,465,427,753	26
Financial assets at fair value through profit or loss (Note 7)	207,700	-	924,636	-
Financial assets at fair value through other comprehensive income (Note 8)	192,202,657	3	154,530,830	3
Financial assets at amortized cost (Note 9)	101,971,322	1	66,761,221	1
Hedging financial assets (Note 10)	10,959	-	-	-
Notes and accounts receivable, net (Note 11)	270,683,235	4	201,313,914	4
Receivables from related parties (Note 33)	1,404,473	-	624,451	-
Other receivables from related parties (Note 33)	251	-	71,871	-
Inventories (Notes 5 and 12)	287,868,810	4	250,997,088	5
Other financial assets (Notes 29, 30 and 34)	63,138,316	1	27,158,766	1
Other current assets	43,237,354	1	26,222,380	-
Total current assets	<u>3,088,352,120</u>	<u>46</u>	<u>2,194,032,910</u>	<u>40</u>
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss (Note 7)	15,199,842	-	13,417,457	-
Financial assets at fair value through other comprehensive income (Note 8)	7,822,884	-	7,208,655	-
Financial assets at amortized cost (Note 9)	88,596,542	1	79,199,367	2
Investments accounted for using equity method (Note 13)	37,421,105	1	29,616,638	1
Property, plant and equipment (Notes 5, 14 and 29)	3,234,980,070	48	3,064,474,984	55
Right-of-use assets (Notes 5 and 15)	40,128,391	1	40,424,830	1
Intangible assets (Notes 5 and 16)	26,282,520	1	22,766,744	-
Deferred income tax assets (Notes 5 and 25)	65,943,300	1	64,175,787	1
Refundable deposits	5,495,862	-	7,044,420	-
Other noncurrent assets (Notes 29 and 30)	81,715,364	1	10,009,423	-
Total noncurrent assets	<u>3,603,585,880</u>	<u>54</u>	<u>3,338,338,305</u>	<u>60</u>
TOTAL	<u>\$ 6,691,938,000</u>	<u>100</u>	<u>\$ 5,532,371,215</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss (Note 7)	\$ 466,539	-	\$ 121,412	-
Hedging financial liabilities (Notes 10 and 30)	-	-	27,334,164	-
Accounts payable	72,800,558	1	55,726,757	1
Payables to related parties (Note 33)	1,426,001	-	1,566,300	-
Salary and bonus payable	47,451,509	1	33,200,563	1
Accrued profit sharing bonus to employees and compensation to directors (Note 28)	70,871,150	1	50,716,944	1
Payables to contractors and equipment suppliers	192,635,173	3	171,484,616	3
Cash dividends payable (Note 20)	220,418,821	3	168,558,461	3
Income tax payable (Notes 5 and 25)	147,438,423	2	98,912,902	2
Long-term liabilities - current portion (Notes 17, 18 and 30)	59,857,879	1	9,293,266	-
Accrued expenses and other current liabilities (Notes 5, 15, 21 and 30)	451,158,911	7	296,667,931	5
Total current liabilities	<u>1,264,524,964</u>	<u>19</u>	<u>913,583,316</u>	<u>16</u>
NONCURRENT LIABILITIES				
Bonds payable (Notes 17 and 30)	926,604,506	14	913,899,843	17
Long-term bank loans (Notes 18 and 30)	31,824,386	-	4,382,965	-
Deferred income tax liabilities (Notes 5 and 25)	3,988,482	-	53,856	-
Lease liabilities (Notes 5, 15 and 30)	28,755,342	-	28,681,835	1
Net defined benefit liability (Note 19)	7,580,657	-	9,257,224	-
Guarantee deposits	845,581	-	923,164	-
Others (Note 21)	104,238,217	2	178,326,165	3
Total noncurrent liabilities	<u>1,103,837,171</u>	<u>16</u>	<u>1,135,525,052</u>	<u>21</u>
Total liabilities	<u>2,368,362,135</u>	<u>35</u>	<u>2,049,108,368</u>	<u>37</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT				
Capital stock (Note 20)	259,327,332	4	259,320,710	5
Capital surplus (Notes 20 and 27)	73,260,765	2	69,876,381	1
Retained earnings (Note 20)				
Appropriated as legal capital reserve	311,146,899	4	311,146,899	6
Unappropriated earnings	3,606,105,124	54	2,846,883,893	51
	<u>3,917,252,023</u>	<u>58</u>	<u>3,158,030,792</u>	<u>57</u>
Others (Notes 20 and 27)	38,705,047	-	(28,314,256)	-
Equity attributable to shareholders of the parent	4,288,545,167	64	3,458,913,627	63
NON - CONTROLLING INTERESTS	35,030,698	1	24,349,220	-
Total equity	<u>4,323,575,865</u>	<u>65</u>	<u>3,483,262,847</u>	<u>63</u>
TOTAL	<u>\$ 6,691,938,000</u>	<u>100</u>	<u>\$ 5,532,371,215</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)

	2024		2023	
	Amount	%	Amount	%
NET REVENUE (Notes 5, 21, 33 and 39)	\$ 2,894,307,699	100	\$ 2,161,735,841	100
COST OF REVENUE (Notes 5, 12, 28, 33 and 36)	<u>1,269,954,135</u>	<u>44</u>	<u>986,625,213</u>	<u>46</u>
GROSS PROFIT	<u>1,624,353,564</u>	<u>56</u>	<u>1,175,110,628</u>	<u>54</u>
OPERATING EXPENSES (Notes 5, 28 and 33)				
Research and development	204,181,823	7	182,370,170	8
General and administrative	83,744,968	3	60,872,841	3
Marketing	<u>13,143,524</u>	<u>-</u>	<u>10,590,705</u>	<u>-</u>
Total operating expenses	<u>301,070,315</u>	<u>10</u>	<u>253,833,716</u>	<u>11</u>
OTHER OPERATING INCOME AND EXPENSES, NET (Notes 14, 28 and 36)	<u>(1,230,199)</u>	<u>-</u>	<u>188,694</u>	<u>-</u>
INCOME FROM OPERATIONS (Note 39)	<u>1,322,053,050</u>	<u>46</u>	<u>921,465,606</u>	<u>43</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profits of associates	4,879,367	-	4,655,098	-
Interest income (Note 22)	87,213,399	3	60,293,901	3
Other income	566,879	-	479,984	-
Foreign exchange gain (loss), net (Note 37)	10,000,653	-	(2,685,484)	-
Finance costs (Note 23)	(10,495,320)	-	(11,999,360)	(1)
Other gains and losses, net (Note 24)	<u>(8,379,393)</u>	<u>-</u>	<u>6,961,579</u>	<u>-</u>
Total non-operating income and expenses	<u>83,785,585</u>	<u>3</u>	<u>57,705,718</u>	<u>2</u>
INCOME BEFORE INCOME TAX	1,405,838,635	49	979,171,324	45
INCOME TAX EXPENSE (Notes 5 and 25)	<u>233,406,876</u>	<u>8</u>	<u>141,403,807</u>	<u>6</u>
NET INCOME	<u>1,172,431,759</u>	<u>41</u>	<u>837,767,517</u>	<u>39</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 5, 19, 20 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	144,365	-	(623,356)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	5,091,916	-	1,954,563	-
Gain on hedging instruments	5,041	-	39,898	-
Share of other comprehensive income (loss) of associates	(69,435)	-	42,554	-
Income tax benefit (expense) related to items that will not be reclassified subsequently	<u>(38,869)</u>	<u>-</u>	<u>124,646</u>	<u>-</u>
	<u>5,133,018</u>	<u>-</u>	<u>1,538,305</u>	<u>-</u>

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	\$ 64,299,685	2	\$ (14,464,353)	(1)
Unrealized gain on investments in debt instruments at fair value through other comprehensive income	1,949,865	-	4,123,201	-
Loss on hedging instruments	(80,198)	-	(74,735)	-
Share of other comprehensive income of associates	283,276	-	63,938	-
	<u>66,452,628</u>	<u>2</u>	<u>(10,351,949)</u>	<u>(1)</u>
Other comprehensive income (loss), net of income tax	<u>71,585,646</u>	<u>2</u>	<u>(8,813,644)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 1,244,017,405</u>	<u>43</u>	<u>\$ 828,953,873</u>	<u>38</u>
NET INCOME ATTRIBUTABLE TO:				
Shareholders of the parent	\$ 1,173,267,703	41	\$ 838,497,664	39
Non-controlling interests	<u>(835,944)</u>	<u>-</u>	<u>(730,147)</u>	<u>-</u>
	<u>\$ 1,172,431,759</u>	<u>41</u>	<u>\$ 837,767,517</u>	<u>39</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of the parent	\$ 1,245,836,616	43	\$ 830,509,542	38
Non-controlling interests	<u>(1,819,211)</u>	<u>-</u>	<u>(1,555,669)</u>	<u>-</u>
	<u>\$ 1,244,017,405</u>	<u>43</u>	<u>\$ 828,953,873</u>	<u>38</u>
EARNINGS PER SHARE (NT\$, Note 26)				
Basic earnings per share	<u>\$ 45.25</u>		<u>\$ 32.34</u>	
Diluted earnings per share	<u>\$ 45.25</u>		<u>\$ 32.34</u>	

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

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent											Others		Total									
	Capital Stock - Common Stock		Capital Surplus		Legal Capital Reserve		Retained Earnings		Unappropriated 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	Non-controlling Interests	Total Equity	
	Shares (In Thousands)	Amount	Special Reserve	Reserve	Special Reserve	Reserve	Special Reserve	Reserve	Special Reserve	Reserve	Special Reserve	Reserve	Special Reserve		Reserve	Special Reserve	Reserve	Special Reserve					Reserve
BALANCE, JANUARY 1, 2023	25,930,380	\$ 259,303,805	\$ 69,330,228	\$ 311,146,899	\$ 3,154,310	\$ 2,323,223,479	\$ 2,637,524,688	\$ (11,743,301)	\$ (10,056,353)	\$ 1,479,181	\$ (185,153)	\$ (20,505,626)	\$ -	\$ 2,945,653,195	\$ 14,835,672	\$ 2,960,488,867							
Appropriations of earnings	-	-	-	-	3,154,310	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Special capital reserve	-	-	-	-	(317,663,220)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash dividends to shareholders	-	-	-	-	(314,508,200)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	(317,663,220)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net income	-	-	-	-	838,497,664	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other comprehensive income (loss), net of income tax	-	-	-	-	(484,828)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income (loss)	-	-	-	-	838,012,766	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disposal of investments accounted for using equity method	-	-	(18,112)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Employee restricted shares retired	(419)	(4,195)	4,195	-	4,614	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share-based payment arrangements	2,110	21,100	564,868	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	151,944	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Basic adjustment for loss on hedging instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adjustments to share of changes in equities of associates	-	-	(43)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
From share of changes in equities of subsidiaries	-	-	(21,268)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Donation from shareholders	-	-	16,413	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
BALANCE, DECEMBER 31, 2023	25,932,071	\$ 259,320,710	\$ 69,876,381	\$ 311,146,899	\$ 3,158,030,292	\$ 4,099,928	\$ 1,395,875	\$ (25,316,769)	\$ (4,099,928)	\$ (29,434)	\$ (28,314,256)	\$ -	\$ 3,458,913,627	\$ 24,349,220	\$ 3,483,262,847	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Appropriations of earnings	-	-	-	-	(414,915,586)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash dividends to shareholders	-	-	-	-	(414,915,586)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	(414,915,586)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net income	-	-	-	-	1,173,267,703	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other comprehensive income (loss), net of income tax	-	-	-	-	126,044	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income (loss)	-	-	-	-	1,173,393,743	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Employee restricted shares retired	(1,402)	(14,018)	14,018	-	19,934	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share-based payment arrangements	5,313	53,130	2,584,257	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Treasury stock acquired	(3,249)	(32,490)	(7,080)	-	(3,049,607)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Treasury stock retired	-	-	-	-	3,772,747	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	(4,009,066)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Basic adjustment for gain on hedging instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adjustments to share of changes in equities of associates	-	-	870,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
From difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual disposal	-	-	5,284	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
From share of changes in equities of subsidiaries	-	-	(90,978)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Donation from shareholders	-	-	8,883	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
BALANCE, DECEMBER 31, 2024	25,932,333	\$ 259,127,332	\$ 73,260,365	\$ 311,146,899	\$ 3,606,045,124	\$ 3,917,253,023	\$ 40,262,995	\$ (1,310,307)	\$ (1,100,126)	\$ (1,708,629)	\$ (38,704,047)	\$ -	\$ 4,285,545,167	\$ 35,030,608	\$ 4,320,575,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$1,405,838,635	\$ 979,171,324
Adjustments for:		
Depreciation expense	653,610,486	522,932,671
Amortization expense	9,186,149	9,258,250
Expected credit losses recognized on investments in debt instruments	49,907	35,745
Finance costs	10,495,320	11,999,360
Share of profits of associates	(4,879,367)	(4,655,098)
Interest income	(87,213,399)	(60,293,901)
Share-based compensation	1,242,719	483,050
Loss on disposal or retirement of property, plant and equipment, net	2,597,927	369,140
Loss (gain) on disposal or retirement of intangible assets, net	34	(3,045)
Impairment loss on property, plant and equipment	1,150,485	-
Loss (gain) on financial instruments at fair value through profit or loss, net	137,694	(12,355)
Loss on disposal of investments in debt instruments at fair value through other comprehensive income, net	683,117	473,897
Gain on disposal of investments accounted for using equity method, net	(7,126)	(15,758)
Loss (gain) on foreign exchange, net	4,576,295	(246,695)
Dividend income	(566,879)	(464,094)
Others	(435,644)	(337,935)
Changes in operating assets and liabilities:		
Financial instruments at fair value through profit or loss	842,623	289,570
Notes and accounts receivable, net	(69,369,394)	28,441,987
Receivables from related parties	(780,022)	959,507
Other receivables from related parties	71,620	(2,896)
Inventories	(36,871,722)	(29,847,940)
Other financial assets	(2,377,515)	1,878,712
Other current assets	(15,537,261)	(12,530,880)
Other noncurrent assets	(3,862,018)	(720,278)
Accounts payable	17,073,801	847,049
Payables to related parties	(140,299)	(76,337)
Salary and bonus payable	14,250,946	(3,234,946)
Accrued profit sharing bonus to employees and compensation to directors	20,154,206	(11,031,630)
Accrued expenses and other current liabilities	74,659,388	(44,466,734)
Other noncurrent liabilities	16,768,683	13,329,895
Net defined benefit liability	(1,532,202)	(687,223)
Cash generated from operations	2,009,817,187	1,401,842,412
Income taxes paid	(183,640,119)	(159,875,065)
Net cash generated by operating activities	<u>1,826,177,068</u>	<u>1,241,967,347</u>

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial instruments at fair value through profit or loss	\$ (1,178,766)	\$ (14,142,072)
Financial assets at fair value through other comprehensive income	(87,787,521)	(62,752,002)
Financial assets at amortized cost	(151,656,371)	(149,387,898)
Investments accounted for using equity method	(3,738,753)	-
Property, plant and equipment	(956,006,536)	(949,816,825)
Intangible assets	(8,875,660)	(5,518,414)
Proceeds from disposal or redemption of:		
Financial assets at fair value through other comprehensive income	67,684,556	35,698,575
Financial assets at amortized cost	118,350,898	134,605,822
Property, plant and equipment	894,573	703,904
Intangible assets	57,182	3,078
Proceeds from return of capital of investments in equity instruments at fair value through other comprehensive income	325,952	127,963
Derecognition of hedging financial instruments	118,320	68,237
Interest received	76,434,070	55,887,164
Proceeds from government grants - property, plant and equipment	75,163,982	47,544,746
Proceeds from government grants - others	267	1,152
Other dividends received	541,803	445,129
Dividends received from investments accounted for using equity method	2,965,201	3,076,482
Increase in prepayments for leases	(99,427)	(63,153)
Refundable deposits paid	(1,304,815)	(4,056,496)
Refundable deposits refunded	<u>3,268,276</u>	<u>1,454,012</u>
Net cash used in investing activities	<u>(864,842,769)</u>	<u>(906,120,596)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in hedging financial liabilities - bank loans	(26,496,570)	27,908,580
Proceeds from issuance of bonds	34,300,000	85,700,000
Repayment of bonds	(7,000,000)	(18,100,000)
Proceeds from long-term bank loans	30,897,000	2,450,000
Repayment of long-term bank loans	(2,295,556)	(1,756,944)
Payments for transaction costs attributable to the issuance of bonds	(35,681)	(88,681)
Treasury stock acquired	(3,089,177)	-
Repayment of the principal portion of lease liabilities	(2,873,640)	(2,854,344)
Interest paid	(18,751,233)	(17,358,981)
Guarantee deposits received	4,990	230,116
Guarantee deposits refunded	(93,332)	(367,375)
Cash dividends	(363,055,226)	(291,721,852)
Disposal of ownership interests in subsidiaries (without losing control)	1,021	-
Donation from shareholders	8,947	16,448
Increase in non-controlling interests	<u>12,177,547</u>	<u>11,048,781</u>
Net cash used in financing activities	<u>(346,300,910)</u>	<u>(204,894,252)</u>

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	2024	2023
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	\$ <u>47,165,901</u>	\$ <u>(8,338,829)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	662,199,290	122,613,670
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,465,427,753</u>	<u>1,342,814,083</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$2,127,627,043</u>	<u>\$1,465,427,753</u>

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

(Concluded)

**Independent Auditors' Report
(Parent Company Only Financial Statements)**

The Board of Directors and Shareholders
Taiwan Semiconductor Manufacturing Company Limited

Opinion

We have audited the accompanying parent company only financial statements of Taiwan Semiconductor Manufacturing Company Limited (the "Company"), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Company's parent company only financial statements for the year ended December 31, 2024 is stated as follows:

Property, plant and equipment (PP&E) – commencement of depreciation related to PP&E classified as equipment under installation and construction in progress (EUI/CIP)

Refer to Notes 4, 5 and 13 to the parent company only financial statements.

The Company's evaluation of when to commence depreciation of EUI/CIP involves determining when the assets are available for their intended use. The criteria the Company uses to determine whether EUI/CIP are available for their intended use involves subjective judgments and assumptions about the conditions necessary for the assets to be capable of operating in the intended manner. Changes in these assumptions could have a significant impact on when depreciation is recognized.

Given the subjectivity in determining the date to commence depreciation of EUI/CIP, performing audit procedures to evaluate the reasonableness of the Company's judgments and assumptions required a high degree of auditor judgment. Consequently, the validity of commencement of depreciation related to PP&E classified as EUI/CIP is identified as a key audit matter.

Our audit procedures related to the evaluation of when to commence depreciation of EUI/CIP included the following, among others:

1. We read the Company's policy and understood the criteria used to determine when to commence depreciation.
2. We tested the effectiveness of the controls over the evaluation of when to commence depreciation of EUI/CIP.
3. We sampled the year-end balance of EUI/CIP and performed the following for each selection:
 - a. Evaluated whether the selection did not meet the criteria specified by the Company for commencement of depreciation.
 - b. Observed the assets and evaluated their status.
4. We sampled and evaluated whether the selection of EUI/CIP met the criteria specified by the Company for commencement of depreciation during the year.
5. We sampled and evaluated whether the selection of EUI/CIP met the criteria specified by the Company for commencement of depreciation subsequent to year end.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit and Risk Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of

doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shih Tsung Wu and Shang Chih Lin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 12, 2025

Notice to Readers

The accompanying parent company only financial statements are intended only to present the 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 audit such parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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' report and parent company only financial statements shall prevail.

Taiwan Semiconductor Manufacturing Company Limited

PARENT COMPANY ONLY BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 1,035,061,499	17	\$ 718,703,712	15
Financial assets at fair value through profit or loss (Note 7)	13,174	-	624,685	-
Financial assets at amortized cost (Note 8)	14,208,158	-	18,371,705	-
Notes and accounts receivable, net (Note 10)	39,497,003	1	33,557,279	1
Receivables from related parties (Note 30)	210,300,175	4	155,261,877	3
Other receivables from related parties (Note 30)	5,313,087	-	4,360,322	-
Inventories (Notes 5 and 11)	270,716,472	4	238,259,195	5
Other financial assets	4,927,482	-	4,321,083	-
Other current assets	29,528,046	1	12,328,706	-
Total current assets	<u>1,609,565,096</u>	<u>27</u>	<u>1,185,788,564</u>	<u>24</u>
NONCURRENT ASSETS				
Financial assets at fair value through other comprehensive income	1,058,347	-	960,950	-
Investments accounted for using equity method (Note 12)	1,758,587,882	29	1,094,695,092	23
Property, plant and equipment (Notes 5 and 13)	2,537,292,611	42	2,453,465,322	50
Right-of-use assets (Notes 5 and 14)	37,899,147	1	37,872,705	1
Intangible assets (Notes 5 and 15)	20,452,082	-	17,684,064	-
Deferred income tax assets (Notes 5 and 23)	60,178,345	1	62,356,061	1
Refundable deposits	3,783,511	-	3,433,404	-
Other noncurrent assets (Note 30)	8,432,279	-	17,823,122	1
Total noncurrent assets	<u>4,427,684,204</u>	<u>73</u>	<u>3,688,290,720</u>	<u>76</u>
TOTAL	<u>\$ 6,037,249,300</u>	<u>100</u>	<u>\$ 4,874,079,284</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss (Note 7)	\$ 439,110	-	\$ 25,673	-
Hedging financial liabilities (Notes 9 and 27)	-	-	27,290,400	1
Accounts payable	64,054,077	1	47,643,493	1
Payables to related parties (Note 30)	10,137,811	-	10,119,695	-
Salary and bonus payable	37,440,411	1	27,754,742	1
Accrued profit sharing bonus to employees and compensation to directors (Note 26)	70,520,129	1	50,642,488	1
Payables to contractors and equipment suppliers	150,280,751	3	84,146,173	2
Cash dividends payable (Note 18)	220,418,821	4	168,558,461	3
Income tax payable (Notes 5 and 23)	146,420,994	2	98,564,981	2
Long-term liabilities - current portion (Notes 16 and 27)	24,397,381	-	6,997,710	-
Accrued expenses and other current liabilities (Notes 5, 14, 19, 27 and 30)	449,236,841	7	241,858,508	5
Total current liabilities	<u>1,173,346,326</u>	<u>19</u>	<u>763,602,324</u>	<u>16</u>
NONCURRENT LIABILITIES				
Bonds payable (Notes 16 and 27)	453,839,281	8	439,869,855	9
Deferred income tax liabilities (Notes 5 and 23)	3,925,320	-	-	-
Lease liabilities (Notes 5, 14 and 27)	27,206,865	1	26,959,435	-
Net defined benefit liability (Note 17)	7,580,657	-	9,257,224	-
Guarantee deposits	837,379	-	915,344	-
Others (Notes 19 and 30)	81,968,305	1	174,561,475	4
Total noncurrent liabilities	<u>575,357,807</u>	<u>10</u>	<u>651,563,333</u>	<u>13</u>
Total liabilities	<u>1,748,704,133</u>	<u>29</u>	<u>1,415,165,657</u>	<u>29</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT				
Capital stock (Note 18)	259,327,332	4	259,320,710	5
Capital surplus (Notes 18 and 25)	73,260,765	2	69,876,381	2
Retained earnings (Note 18)				
Appropriated as legal capital reserve	311,146,899	5	311,146,899	6
Unappropriated earnings	3,606,105,124	60	2,846,883,893	59
	<u>3,917,252,023</u>	<u>65</u>	<u>3,158,030,792</u>	<u>65</u>
Others (Notes 18 and 25)	38,705,047	-	(28,314,256)	(1)
Total equity	<u>4,288,545,167</u>	<u>71</u>	<u>3,458,913,627</u>	<u>71</u>
TOTAL	<u>\$ 6,037,249,300</u>	<u>100</u>	<u>\$ 4,874,079,284</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

Taiwan Semiconductor Manufacturing Company Limited

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
NET REVENUE (Notes 5, 19 and 30)	\$ 2,880,383,350	100	\$ 2,153,285,095	100
COST OF REVENUE (Notes 5, 11, 26, 30 and 32)	<u>1,306,140,916</u>	<u>45</u>	<u>1,022,660,164</u>	<u>47</u>
GROSS PROFIT	<u>1,574,242,434</u>	<u>55</u>	<u>1,130,624,931</u>	<u>53</u>
OPERATING EXPENSES (Notes 5, 26 and 30)				
Research and development	198,449,799	7	178,725,098	9
General and administrative	50,832,908	2	39,890,037	2
Marketing	<u>6,264,188</u>	<u>-</u>	<u>5,118,396</u>	<u>-</u>
Total operating expenses	<u>255,546,895</u>	<u>9</u>	<u>223,733,531</u>	<u>11</u>
OTHER OPERATING INCOME AND EXPENSES, NET (Notes 13, 26 and 32)	<u>(1,549,447)</u>	<u>-</u>	<u>481,455</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>1,317,146,092</u>	<u>46</u>	<u>907,372,855</u>	<u>42</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profits of subsidiaries and associates (Note 12)	66,000,702	2	52,587,403	2
Interest income (Note 20)	27,338,300	1	17,825,551	1
Other income	199,890	-	230,801	-
Foreign exchange gain (loss), net (Note 33)	9,988,417	-	(3,238,713)	-
Finance costs (Note 21)	(5,400,986)	-	(4,600,793)	-
Other gains and losses, net (Note 22)	<u>(7,663,446)</u>	<u>-</u>	<u>7,594,132</u>	<u>-</u>
Total non-operating income and expenses	<u>90,462,877</u>	<u>3</u>	<u>70,398,381</u>	<u>3</u>
INCOME BEFORE INCOME TAX	1,407,608,969	49	977,771,236	45
INCOME TAX EXPENSE (Notes 5 and 23)	<u>234,341,266</u>	<u>8</u>	<u>139,273,572</u>	<u>6</u>
NET INCOME	<u>1,173,267,703</u>	<u>41</u>	<u>838,497,664</u>	<u>39</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 5, 12, 17, 18 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	144,365	-	(623,356)	-
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	97,396	-	(53,665)	-
Gain on hedging instruments	5,041	-	39,898	-
Share of other comprehensive gain of subsidiaries and associates	4,911,549	-	2,049,357	-
Income tax benefit (expense) related to items that will not be reclassified subsequently	<u>(38,869)</u>	<u>-</u>	<u>124,646</u>	<u>-</u>
	<u>5,119,482</u>	<u>-</u>	<u>1,536,880</u>	<u>-</u>

(Continued)

Taiwan Semiconductor Manufacturing Company Limited

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	\$ 65,330,074	2	\$ (13,645,829)	-
Share of other comprehensive gain of subsidiaries and associates	<u>2,119,357</u>	<u>-</u>	<u>4,120,827</u>	<u>-</u>
	<u>67,449,431</u>	<u>2</u>	<u>(9,525,002)</u>	<u>-</u>
Other comprehensive income (loss), net of income tax	<u>72,568,913</u>	<u>2</u>	<u>(7,988,122)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 1,245,836,616</u>	<u>43</u>	<u>\$ 830,509,542</u>	<u>39</u>
EARNINGS PER SHARE (NT\$, Note 24)				
Basic earnings per share	<u>\$ 45.25</u>		<u>\$ 32.34</u>	
Diluted earnings per share	<u>\$ 45.25</u>		<u>\$ 32.34</u>	

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Capital Stock - Common Stock		Retained Earnings		Foreign Currency Translation Reserve		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		Others		Treasury Stock	Total Equity
	Shares (In Thousands)	Amount	Legal Capital Reserve	Special Reserve	Unappropriated Earnings	Total	Gain (Loss) on Hedging Instruments	Unearned Stock-Based Compensation	Total			
BALANCE, JANUARY 1, 2023	25,930,380	\$ 259,303,805	\$ 311,146,899	\$ 3,154,310	\$ 2,323,223,479	\$ 2,037,524,688	\$ (1,479,181)	\$ (10,056,353)	\$ (185,153)	\$ (20,505,626)	\$ -	\$ 2,945,053,195
Appropriations of earnings	-	-	-	3,154,310	3,154,310	-	-	-	-	-	-	-
Special capital reserve	-	-	-	(3,154,310)	(3,154,310)	(317,663,220)	-	-	-	-	-	(317,663,220)
Cash dividends to shareholders	-	-	-	(3,154,310)	(3,154,310)	(317,663,220)	-	-	-	-	-	(317,663,220)
Total	-	-	-	-	-	838,497,664	-	-	-	-	-	838,497,664
Net income	-	-	-	-	838,497,664	(484,898)	(13,573,468)	6,108,569	(38,125)	(7,503,224)	-	(7,988,122)
Other comprehensive income (loss), net of income tax	-	-	-	-	(484,898)	(484,898)	(13,573,468)	6,108,569	(38,125)	(7,503,224)	-	(7,988,122)
Total comprehensive income (loss)	-	-	-	-	838,012,766	838,012,766	(13,573,468)	6,108,569	(38,125)	(7,503,224)	-	830,509,542
Employee restricted shares retired	(419)	(4,195)	-	-	4,614	4,614	-	-	-	-	-	4,614
Share-based payment arrangements	2,110	21,100	-	-	4,614	4,614	-	-	(108,281)	(108,281)	-	477,687
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	151,944	151,944	-	(151,944)	-	(151,944)	-	-
Basis adjustment for loss on hedging instruments	-	-	-	-	-	-	-	-	-	(45,181)	-	(45,181)
Adjustments to share of changes in equities of associates	-	-	-	-	-	(18,155)	-	-	-	(18,155)	-	(18,155)
From share of changes in equities of subsidiaries	-	-	-	-	-	(21,268)	-	-	-	(21,268)	-	(21,268)
Donation from shareholders	-	-	-	-	16,413	16,413	-	-	-	-	-	16,413
BALANCE, DECEMBER 31, 2023	25,932,071	\$ 259,320,710	\$ 311,146,899	-	2,846,883,893	3,158,030,792	(25,316,769)	(4,099,928)	(293,434)	(28,314,256)	-	3,458,913,627
Appropriations of earnings	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(414,915,586)	(414,915,586)	-	-	-	-	-	(414,915,586)
Total	-	-	-	-	(414,915,586)	(414,915,586)	-	-	-	-	-	(414,915,586)
Net income	-	-	-	-	1,173,267,703	1,173,267,703	1,173,267,703	-	-	-	-	1,173,267,703
Other comprehensive income (loss), net of income tax	-	-	-	-	126,040	126,040	65,579,764	6,948,818	(85,709)	72,442,873	-	72,568,913
Total comprehensive income (loss)	-	-	-	-	1,173,393,743	1,173,393,743	65,579,764	6,948,818	(85,709)	72,442,873	-	1,245,836,616
Employee restricted shares retired	(1,402)	(14,018)	-	-	19,934	19,934	-	-	-	-	-	19,934
Share-based payment arrangements	5,313	53,130	-	-	19,934	19,934	-	-	(1,414,645)	(1,414,645)	-	1,222,742
Treasury stock acquired	(3,249)	(32,490)	-	-	(3,049,607)	(3,049,607)	-	-	-	(3,089,177)	-	(3,089,177)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	3,772,747	3,772,747	-	(4,009,066)	-	(4,009,066)	-	(236,319)
Basis adjustment for gain (loss) on hedging instruments	-	-	-	-	-	-	141	-	-	141	-	141
Adjustments to share of changes in equities of associates	-	-	-	-	-	870,000	-	-	-	-	-	870,000
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
From share of changes in equities of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Donation from shareholders	-	-	-	-	-	-	-	-	-	-	-	5,284
BALANCE, DECEMBER 31, 2024	25,932,733	\$ 259,327,332	\$ 311,146,899	-	3,606,105,124	3,917,252,023	(40,562,995)	(1,160,176)	(1,708,079)	(38,705,047)	-	\$ 4,288,545,167

The accompanying notes are an integral part of the parent company only financial statements.

Taiwan Semiconductor Manufacturing Company Limited

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,407,608,969	\$ 977,771,236
Adjustments for:		
Depreciation expense	625,747,423	500,300,771
Amortization expense	9,129,469	9,197,976
Expected credit losses recognized (reversal) on investments in debt instruments	(2,551)	5,789
Finance costs	5,400,986	4,600,793
Share of profits of subsidiaries and associates	(66,000,702)	(52,587,403)
Interest income	(27,338,300)	(17,825,551)
Share-based compensation	1,242,676	482,302
Loss on disposal or retirement of property, plant and equipment, net	2,458,920	76,638
Gain on disposal or retirement of intangible assets, net	(6,206)	(3,045)
Impairment loss on property, plant and equipment	1,102,946	-
Gain on disposal of investments accounted for using equity method, net	(7,126)	-
Loss on foreign exchange, net	4,316,514	183,093
Dividend income	(199,890)	(214,911)
Others	(458,276)	(317,394)
Changes in operating assets and liabilities:		
Financial instruments at fair value through profit or loss	1,029,990	(24,326)
Notes and accounts receivable, net	(5,939,724)	7,754,557
Receivables from related parties	(55,038,298)	17,782,935
Other receivables from related parties	(938,597)	2,115,413
Inventories	(32,457,277)	(29,976,300)
Other financial assets	(167,618)	(1,019,979)
Other current assets	(19,891,135)	(7,799,552)
Other noncurrent assets	(3,360,036)	(720,278)
Accounts payable	16,410,584	(1,089,049)
Payables to related parties	20,011	67,281
Salary and bonus payable	9,685,669	(3,553,878)
Accrued profit sharing bonus to employees and compensation to directors	19,877,641	(10,749,687)
Accrued expenses and other current liabilities	115,859,695	(42,119,570)
Other noncurrent liabilities	10,344,601	12,836,220
Net defined benefit liability	(1,532,202)	(687,223)
Cash generated from operations	2,016,898,156	1,364,486,858
Income taxes paid	(181,322,787)	(157,403,955)
Net cash generated by operating activities	<u>1,835,575,369</u>	<u>1,207,082,903</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial assets at amortized cost	(44,368,311)	(51,099,687)
Investments accounted for using equity method	(3,738,753)	-
Equity interest in subsidiary	-	(3,359)
Property, plant and equipment	(644,734,446)	(634,971,543)
Intangible assets	(8,053,430)	(4,898,499)
Proceeds from disposal or redemption of:		
Financial assets at amortized cost	48,840,000	81,900,000
Property, plant and equipment	1,634,456	1,369,856
Intangible assets	8,323	3,078
Proceeds from return of capital of investments in equity instruments at fair value through other comprehensive income	-	125

(Continued)

Taiwan Semiconductor Manufacturing Company Limited

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	2024	2023
Interest received	\$ 26,599,749	\$ 16,851,011
Other dividends received	199,890	214,911
Dividends received from investments accounted for using equity method	5,097,471	3,849,295
Refundable deposits paid	(312,809)	(1,703,523)
Refundable deposits refunded	<u>278,903</u>	<u>359,682</u>
Net cash used in investing activities	<u>(618,548,957)</u>	<u>(588,128,653)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in hedging financial liabilities - bank loans	(26,496,570)	27,908,580
Proceeds from issuance of bonds	34,300,000	85,700,000
Repayment of bonds	(7,000,000)	(18,100,000)
Payments for transaction costs attributable to the issuance of bonds	(35,681)	(88,681)
Treasury stock acquired	(3,089,177)	-
Repayment of the principal portion of lease liabilities	(2,257,534)	(2,094,258)
Interest paid	(5,864,077)	(4,724,074)
Guarantee deposits received	4,677	187,164
Guarantee deposits refunded	(93,242)	(286,036)
Cash dividends	(363,055,226)	(291,721,852)
Disposal of ownership interests in subsidiaries (without losing control)	1,021	-
Payment of partial acquisition of interests in subsidiaries	(528,037,569)	(326,167,994)
Proceeds from partial disposal of interests in subsidiaries	946,001	244,376
Donation from shareholders	<u>8,752</u>	<u>16,340</u>
Net cash used in financing activities	<u>(900,668,625)</u>	<u>(529,126,435)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	316,357,787	89,827,815
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>718,703,712</u>	<u>628,875,897</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,035,061,499</u>	<u>\$ 718,703,712</u>

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited

2024 Earnings Distribution Table

Unit: NT\$

Net Income of 2024	1,173,267,702,688
Plus:	
- Reversal of Special Reserve	28,020,820,997
Earnings in 2024 Available for Distribution	1,201,288,523,685
Plus:	
- Unappropriated Retained Earnings of Previous Years	2,728,100,821,494
- Disposal of Investments in Equity Instruments at Fair Value through Other Comprehensive Income	3,772,748,262
- Adjustment for Restricted Stock Awards	19,934,375
- Remeasurement of Defined Benefit Obligation	126,039,678
Less:	
- Cancellation of Treasury Stocks	-3,049,607,014
Retained Earnings Available for Distribution as of December 31, 2024	3,930,258,460,480
Distribution Item ^{Note 1:}	
- 1Q24 Cash Dividends to Common Share Holders (NT\$4.00013820 per share ^{Note 2})	-103,734,516,968
- 2Q24 Cash Dividends to Common Share Holders (NT\$3.99963706 per share ^{Note 2})	-103,721,520,968
- 3Q24 Cash Dividends to Common Share Holders (NT\$4.50002042 per share ^{Note 2})	-116,697,299,589
- 4Q24 Cash Dividends to Common Share Holders (NT\$4.50 per share ^{Note 3})	-116,697,299,589
Unappropriated Retained Earnings	3,489,407,823,366

Note 1: Cash dividends were approved by the Board of Directors and to be reported at the Annual Shareholders' Meeting.

Note 2: The cash dividend per share was adjusted, as authorized by the Board of Directors, based on the actual number of common shares outstanding as of the record date for such dividend payment.

Note 3: The actual cash dividend per share shall be subject to adjustment based on the actual number of common shares outstanding as of the record date for such dividend payment.

**Comparison Table for the Articles of Incorporation
Before and After Revision**

BEFORE THE REVISION	AFTER THE REVISION
<p>Article 33</p> <p>The distribution of earnings or the covering of losses may be made on a quarterly basis after the close of each quarter. When the earnings are to be distributed in cash, the distribution shall be approved by the Board of Directors in accordance with Article 228-1 and Paragraph V of Article 240 of the Company Law and reported to the shareholders’ meeting, instead of being submitted to the shareholders’ meeting for acceptance.</p> <p>The Corporation shall not pay dividends or bonuses to shareholders when there are no earnings. When allocating the earnings, the Corporation 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 provided that the amount of accumulated legal capital reserve has not reached the amount of the paid-in capital of the Corporation, then set aside a special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge.</p> <p>Before paying dividends or bonuses to shareholders, the Corporation shall set aside not more than 0.3% of its profits of the period for which the Corporation distributes the earnings as compensation to its directors, and not less than 1% as profit sharing bonuses to its employees; provided, however, that the Corporation shall have reserved a sufficient amount to</p>	<p>Article 33</p> <p>The distribution of earnings or the covering of losses may be made on a quarterly basis after the close of each quarter. When the earnings are to be distributed in cash, the distribution shall be approved by the Board of Directors in accordance with Article 228-1 and Paragraph V of Article 240 of the Company Law and reported to the shareholders’ meeting, instead of being submitted to the shareholders’ meeting for acceptance.</p> <p>The Corporation shall not pay dividends or bonuses to shareholders when there are no earnings. When allocating the earnings, the Corporation 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 provided that the amount of accumulated legal capital reserve has not reached the amount of the paid-in capital of the Corporation, then set aside a special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge.</p> <p>Before paying dividends or bonuses to shareholders, the Corporation shall set aside not more than 0.3% of its profits of the period for which the Corporation distributes the earnings as compensation to its directors, and not less than 1% as profit sharing bonuses to its employees <u>among which not less than 30% as profit sharing bonuses to entry-level</u></p>

BEFORE THE REVISION	AFTER THE REVISION
<p>offset its accumulated losses. Directors' compensation is governed by the rules set by the Board of Directors; directors who also serve as executive officers of the Corporation are not entitled to receive compensation to directors. Employees' profit sharing bonuses are resolved by a majority vote at a Board of Directors meeting attended by at least two-thirds of the total number of directors and shall be reported to the shareholders' meeting. The Corporation may issue profit sharing bonuses to employees of an affiliated company meeting the conditions set by the Board of Directors or, by the person duly authorized by the Board of Directors.</p> <p>After the Corporation has set aside the capital reserves pursuant to the second Paragraph of this Article, the balance left over shall be allocated according to the applicable laws and regulations, the relevant rules set forth herein, and the following principles: Earnings may be distributed in total after taking into consideration financial, business and operational factors. Earnings of the Corporation may be distributed by way of cash dividend and/or stock dividend. Since the Corporation is in a capital-intensive industry at the steady growth stage of its business, 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 however, the ratio for stock dividend shall not exceed 50% of total distribution.</p> <p>In case there are no earnings for distribution, or the earnings are far less than the earnings actually distributed by</p>	<p>employees); provided, however, that the Corporation shall have reserved a sufficient amount to offset its accumulated losses. Directors' compensation is governed by the rules set by the Board of Directors; directors who also serve as executive officers of the Corporation are not entitled to receive compensation to directors. Employees' profit sharing bonuses are resolved by a majority vote at a Board of Directors meeting attended by at least two-thirds of the total number of directors and shall be reported to the shareholders' meeting. The Corporation may issue profit sharing bonuses to employees of an affiliated company meeting the conditions set by the Board of Directors or, by the person duly authorized by the Board of Directors.</p> <p>After the Corporation has set aside the capital reserves pursuant to the second Paragraph of this Article, the balance left over shall be allocated according to the applicable laws and regulations, the relevant rules set forth herein, and the following principles: Earnings may be distributed in total after taking into consideration financial, business and operational factors. Earnings of the Corporation may be distributed by way of cash dividend and/or stock dividend. Since the Corporation is in a capital-intensive industry at the steady growth stage of its business, 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 however, the ratio for stock dividend shall not exceed 50% of total distribution.</p> <p>In case there are no earnings for distribution, or the earnings are far less than the earnings actually distributed by</p>

BEFORE THE REVISION	AFTER THE REVISION
<p>the Corporation previously, or considering the financial, business or operational factors of the Corporation, the Corporation may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge. When the reserves are to be distributed in cash, the distribution may be approved by the Board of Directors in accordance with Article 241 of the Company Law and reported to the shareholders' meeting, instead of being submitted to the shareholders' meeting for acceptance.</p>	<p>the Corporation previously, or considering the financial, business or operational factors of the Corporation, the Corporation may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge. When the reserves are to be distributed in cash, the distribution may be approved by the Board of Directors in accordance with Article 241 of the Company Law and reported to the shareholders' meeting, instead of being submitted to the shareholders' meeting for acceptance.</p>
<p>Article 36</p> <p>These Articles of Incorporation are agreed to and signed on December 10, 1986 by all the promoters of the Corporation, and the first Amendment was approved by the shareholders' meeting on April 28, 1987, the second Amendment on November 27, 1989, the third Amendment on May 28, 1991, the fourth Amendment on May 18, 1993, the fifth Amendment on January 28, 1994, the sixth Amendment on May 12, 1995, the seventh Amendment on April 8, 1996, the eighth Amendment on May 13, 1997, the ninth Amendment on May 12, 1998, the tenth Amendment on May 11, 1999, the eleventh Amendment on April 14, 2000, the twelfth Amendment on September 5, 2000, the thirteenth Amendment on May 15, 2001, the fourteenth Amendment on May 7, 2002, the fifteenth Amendment on June 3, 2003, the sixteenth Amendment on December 21, 2004, the seventeenth Amendment on May 10, 2005, the eighteenth Amendment on May 16, 2006, the nineteenth Amendment on May 7, 2007, the twentieth Amendment on June 15, 2010, the twenty-first Amendment on June 12, 2012, the twenty-second Amendment on</p>	<p>Article 36</p> <p>These Articles of Incorporation are agreed to and signed on December 10, 1986 by all the promoters of the Corporation, and the first Amendment was approved by the shareholders' meeting on April 28, 1987, the second Amendment on November 27, 1989, the third Amendment on May 28, 1991, the fourth Amendment on May 18, 1993, the fifth Amendment on January 28, 1994, the sixth Amendment on May 12, 1995, the seventh Amendment on April 8, 1996, the eighth Amendment on May 13, 1997, the ninth Amendment on May 12, 1998, the tenth Amendment on May 11, 1999, the eleventh Amendment on April 14, 2000, the twelfth Amendment on September 5, 2000, the thirteenth Amendment on May 15, 2001, the fourteenth Amendment on May 7, 2002, the fifteenth Amendment on June 3, 2003, the sixteenth Amendment on December 21, 2004, the seventeenth Amendment on May 10, 2005, the eighteenth Amendment on May 16, 2006, the nineteenth Amendment on May 7, 2007, the twentieth Amendment on June 15, 2010, the twenty-first Amendment on June 12, 2012, the twenty-second Amendment on</p>

BEFORE THE REVISION	AFTER THE REVISION
<p>June 7, 2016, the twenty-third Amendment on June 8, 2017, the twenty-fourth Amendment on June 5, 2018, the twenty-fifth Amendment on June 5, 2019, the twenty-sixth Amendment on June 8, 2022, and the twenty-seventh Amendment on June 4, 2024.</p>	<p>June 7, 2016, the twenty-third Amendment on June 8, 2017, the twenty-fourth Amendment on June 5, 2018, the twenty-fifth Amendment on June 5, 2019, the twenty-sixth Amendment on June 8, 2022, and the twenty-seventh Amendment on June 4, 2024, <u>and the twenty-eighth Amendment on June 3, 2025.</u></p>

4. Appendix

Taiwan Semiconductor Manufacturing Company Limited

Rules and Procedures of Shareholders' Meeting

1. Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures. Any matter not provided in these Rules and Procedures shall be handled in accordance with relevant laws and regulations.
2. Shareholders attending the Meeting shall submit the attendance card for the purpose of signing in.

The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance cards submitted by the shareholders.

3. The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.
4. The Company may appoint designated counsel, CPA or other related persons to attend the Meeting.

Persons handling affairs of the Meeting shall wear identification cards or badges.

5. The process of the Meeting shall be taperecorded or videotaped and these tapes shall be preserved for at least one year.
6. The Chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason, the Chairman of the Board of Directors cannot preside at the Meeting, the Vice Chairman of the Board of Directors or one of the Directors shall preside at the Meeting in accordance with Article 208 of the Company Law of the Republic of China.

If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the chairman to preside at the Meeting.

7. Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in

the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one - third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Law of the Republic of China. The aforesaid tentative resolutions shall be executed in accordance with relevant provisions of the Company Law of the Republic of China.

If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Law of the Republic of China.

8. The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

The above provision applies *mutatis mutandis* to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved.

The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned. However, in the event that the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

9. Shareholders attending the Meeting shall have the obligation to observe Meeting rules, obey resolutions and maintain order at Meeting place.
10. Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting.
11. When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman.

Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes).

In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.

If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.

If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.

12. The chairman may announce to end the discussion of any resolution and go into voting if the Chairman deems it appropriate.
13. The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s). The result of voting shall be announced at the Meeting and placed on record.
14. Except otherwise specified in the Company Law of the Republic of China or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chairman.
15. During the Meeting, the chairman may, at his discretion, set time for intermission. In case of incident of force majeure, the chairman may decide to temporarily suspend the Meeting and announce, depending on the situation, when the Meeting will resume or, by resolution of the shareholders present at the Meeting, the chairman may resume the Meeting within five days without further notice or public announcement.
16. If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

17. The chairman may conduct the disciplinary officers or the security guard to assist in keeping order of the Meeting place. Such disciplinary officers or security guards shall wear badges marked "Disciplinary Officers" for identification purpose.
18. These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

**Articles of Incorporation
of
Taiwan Semiconductor Manufacturing Company Limited**

Section I - General Provisions

Article 1

The Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 台灣積體電路製造股份有限公司 in the Chinese language, and Taiwan Semiconductor Manufacturing Company Limited in the English language.

Article 2

The scope of business of the Corporation shall be as follows:

1. Manufacturing and sales of integrated circuits and assembly of other semiconductor devices in wafer form at the order of and pursuant to product design specifications provided by customers.
Provision of packaging and testing services related to the above services.
Providing computer assisted design services and technology for integrated circuits.
Providing mask making and mask design services.
(CC01080 Electronics Components Manufacturing)
2. Researching, developing, designing, manufacturing and selling LED lighting devices and related applications products and systems.
(CC01080 Electronics Components Manufacturing)
(CC01040 Lighting Equipment Manufacturing)
3. Researching, developing, designing, manufacturing and selling renewable energy and efficiency related technologies and products, including solar cells, solar photovoltaic modules and their related systems and applications.
(CC01080 Electronics Components Manufacturing)
(IG03010 Energy Technical Services)
(CC01090 Manufacture of Batteries and Accumulators)
4. Selling recycled and processed chemical, metal, plastic and other industrial products, and fertilizer derived from the Corporation's operating activities.
(C801990 Other Chemical Materials Manufacturing)
(C802990 Other Chemical Products Manufacturing)
(CA02990 Other Metal Products Manufacturing)
(C805990 Other Plastic Products Manufacturing)
(C801110 Fertilizer Manufacturing)
(CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified)

Article 3

The Corporation shall have its head office in Hsinchu Science Park, Taiwan, Republic

of China, and shall be free, upon approval of government authorities in charge, to set up representative and branch offices at various locations within and without the territory of the Republic of China, wherever and whenever the Corporation deems it necessary or advisable to carry out any or all of its activities.

Article 4

Public announcements of the Corporation shall be made in accordance with the Company Law and other relevant rules and regulations of the Republic of China.

Article 5

The Corporation may provide endorsement and guarantee and act as a guarantor.

Article 6

The total amount of the Corporation's reinvestment shall not be subject to the restriction of not more than forty percent of the Corporation's paid-up capital as provided in Article 13 of the Company Law. Any matters regarding the reinvestment shall be resolved in accordance with the resolutions of the Board of Directors.

Section II - Capital Stock

Article 7

The total capital stock of the Corporation shall be in the amount of 280,500,000,000 New Taiwan Dollars, divided into 28,050,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up in installments.

The Corporation may issue employee stock options from time to time. A total of 500,000,000 shares among the above total capital stock should be reserved for issuing employee stock options.

Where the Corporation issues employee restricted shares, qualified employees of its subsidiaries may be eligible for the granting of such shares.

Article 8

The Corporation may issue shares without printing share certificate(s). If the Corporation decides to print share certificates for shares issued, the Corporation shall comply with relevant provisions of the Company Law and relevant rules and regulations of the Republic of China.

Article 9

The share certificates of the Corporation shall all be name-bearing share certificates, and issued in accordance with the Company Law and relevant rules and regulations of the Republic of China.

Article 10

All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transaction conducted by shareholders of the Corporation shall follow the “Guidelines for Stock Operations for Public Companies” unless specified otherwise by law and securities regulations.

Article 11

Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Corporation.

Article 12

Shareholders’ meetings of the Corporation are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws, rules and regulations of the Republic of China.

Shareholders’ meetings of the Corporation may be held through remote video conferencing, or in other forms as and to the extent permitted by relevant government authorities in charge.

Article 13

All shareholders shall receive notice for the convening of shareholders’ meetings, at least thirty (30) days in advance, in case of regular meetings; and at least fifteen (15) days in advance, in case of special meetings. The purpose(s) for convening any such meeting shall be clearly stated in the notices given to the shareholders. Notices shall be in Chinese, and English when necessary.

Article 14

Except as provided in the Company Law of the Republic of China, shareholders’

meetings may be held if attended by shareholders in person or by proxy representing more than one half of the total issued and outstanding capital stock of the Corporation, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting. According to regulatory requirements, shareholders may also vote via an electronic voting system, and those who do shall be deemed as attending the shareholders' meeting in person; electronic voting shall be conducted in accordance with the relevant laws and regulations.

Article 15

Each share of stock shall be entitled to one vote.

Article 16

If a shareholder is unable to attend a meeting, he/she may appoint a representative to attend it, and to exercise, on his/her behalf, all rights at the meeting, in accordance with Article 177 of the Company Law and other relevant laws, rules and regulations. Unless otherwise stipulated by applicable laws or regulations, a representative does not need to be a shareholder of the Corporation.

Article 17

The shareholders' meeting shall be presided over by the Chairman of the Board of Directors of the Corporation. In his absence, either the Vice Chairman of the Board of Directors, or one of the Directors shall preside in accordance with Article 208 of the Company Law.

Article 18

The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the chairman of the meeting. Such minutes, together with the attendance list and proxies, shall be filed and kept at the head office of the Corporation. The minutes shall be drafted in both the Chinese language and the English language.

Section III - Directors

Article 19

The Corporation shall have seven to ten Directors. The Board of Directors is authorized to determine the number of Directors.

The aforesaid Board of Directors must have at least three independent directors, and independent directors must make up at least one third of the Board.

Article 19-1

For the election of Directors, each share has the same voting rights equal to the number of Directors to be elected, and a shareholder may cast all his/her voting rights to one candidate or among several candidates; those candidates receiving more voting rights shall be elected as Directors.

Directors shall be elected by adopting candidates nomination system as specified in Article 192-1 of the Company Law. The nomination of directors and related announcement shall comply with the relevant regulations of the Company Law and the Securities and Exchange Law. The election of independent directors and non-independent directors shall be held together; provided, however, the number of independent directors and non-independent directors elected shall be calculated separately.

Article 19-2

In compliance with Articles 14-4 of the Securities and Exchange Law, the Corporation shall establish an Audit Committee, which shall consist of all independent directors. The Audit Committee or the members of Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Law, the Securities and Exchange Law and other relevant regulations.

Article 20

The term of office for Directors shall be three (3) years, and all Directors shall be eligible for re-election, subject to the limitations imposed by relevant laws, rules and regulations regarding the tenure limits of independent directors.

Article 21

Except as otherwise provided in the Company Law of the Republic of China, a meeting of the Board of Directors may be held if attended by a majority of total Directors and resolutions shall be adopted with the concurrence of the majority of the Directors present at the meeting.

Article 22

The Directors shall elect from among themselves a Chairman of the Board of Directors, and may elect a Vice Chairman of the Board of Directors, by a majority in a meeting attended by over two-thirds of the Directors. The Chairman shall not have a second or

casting vote at any meeting of the Board of Directors. The Chairman of the Board of Directors shall have the authority to represent the Corporation.

Article 23

Except the first Board meeting of every term of the newly elected Board of Directors, which shall be convened by the Director who has received the largest number of votes after such new election, meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors, upon written notice mailed to all the other Directors, at least fourteen days, unless in case of urgent circumstances, prior to the date of the meeting, specifying the date and place of the meeting and its agenda. The meeting of the Board of Directors shall be held at least once every quarter. Such prescribed notices may be waived in writing by any Director, either before or after the meeting. The meetings of the Board of Directors may be convened, at any time, without such prescribed notice in case of urgent circumstances. Notices shall be written in both the Chinese language and the English language. Personal attendance at a meeting will represent a waiver of the notice. Any Director attending the meeting via video conference shall be deemed attending the meeting in person.

Article 24

The Chairman of the Board of Directors shall preside over all meetings of the Board of Directors. In addition, the Chairman shall have the right to execute documents in accordance with the resolutions of the Board of Directors in the name and on behalf of the Corporation as well as acting on behalf of the Board pursuant to Board resolutions and the Corporation's objectives when the Board is not in session. In his absence, the Vice Chairman of the Board of Directors, or any one of the Directors shall be acting for him according to Article 208 of the Company Law.

Article 25

A Director may, by written authorization, appoint another Director to attend on his behalf any meeting of the Board of Directors, and to vote for him on all matters presented at such meeting, but no Director may act as proxy for more than one other Director.

Article 26

The Directors shall exercise their functions by resolutions adopted at meetings of Shareholders and the Board of Directors.

Article 27

In the case that vacancies on the Board of Directors exceed, for any reason, one third of

the total number of the Directors, then the Board of Directors shall convene a shareholders' meeting to elect new Directors to fill such vacancies in accordance with relevant laws, rules and regulations. Except for the election of new Directors across the board, the new Directors shall serve the remaining term of the predecessors.

Article 28

The Board of Directors is authorized to determine the salary for the Chairman, Vice Chairman and Directors, taking into account the extent and value of the services provided for the management of the Corporation and the standards of the industry within the R.O.C. and overseas.

Section IV - Management of the Corporation

Article 29

The Corporation may, by resolution of the Board of Directors, appoint one or more Chief Executive Officer, President(s), Vice President(s) or such other officers to meet the Corporation's operational or managerial needs.

The Chief Executive Officer shall cause to be prepared and furnished to the Board of Directors of the Corporation a balance sheet of the Corporation and related statements of income and loss, as of the end of each calendar month, quarter and year. Quarterly statements and year-end statements shall be furnished within the deadline set forth in relevant laws, rules and regulations. Such financial statements shall be prepared in accordance with generally accepted accounting principles applied in the Republic of China on a consistent basis. Such statements shall be accompanied by a certification of the Corporation that such statements have been so prepared. Subject to the policies of the Corporation, the officers as stated in the previous paragraph shall be responsible for the overall control of allocated business and operation of the Corporation and shall make reports to the Board of Directors, and shall also supervise and control day-to-day business and operation of the Corporation in accordance with the policies of the Board of Directors headed by the Chairman. The Vice President-Finance shall have special responsibility for the financial affairs and accounting of the Corporation.

Article 30

The Chief Executive Officer reports to the Board of Directors. The President(s), Vice President(s) and other officers shall perform such duties as designated by the Chief Executive Officer or the Board of Directors.

Article 31

Subject to the provisions of the Company Law of the Republic of China and these Articles of Incorporation, all actions of the Corporation's employees shall be in conformance with, and in furtherance of, the directions of the Board of Directors.

Section V - Financial Reports

Article 32

The fiscal year for the Corporation shall be from January 1 of each year to December 31 of the same year. After the close of each fiscal year, the following reports shall be prepared by the Board of Directors, and submitted to the regular shareholders' meeting for acceptance:

1. Business Report;
2. Financial Statements;
3. Proposal Concerning the Distribution of Earnings or Covering of Losses.

Article 33

The distribution of earnings or the covering of losses may be made on a quarterly basis after the close of each quarter. When the earnings are to be distributed in cash, the distribution shall be approved by the Board of Directors in accordance with Article 228-1 and Paragraph V of Article 240 of the Company Law and reported to the shareholders' meeting, instead of being submitted to the shareholders' meeting for acceptance.

The Corporation shall not pay dividends or bonuses to shareholders when there are no earnings. When allocating the earnings, the Corporation 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 provided that the amount of accumulated legal capital reserve has not reached the amount of the paid-in capital of the Corporation, then set aside a special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge.

Before paying dividends or bonuses to shareholders, the Corporation shall set aside not more than 0.3% of its profits of the period for which the Corporation distributes the earnings as compensation to its directors and not less than 1% as profit sharing bonuses to its employees; provided, however, that the Corporation shall have reserved a sufficient amount to offset its accumulated losses. Directors' compensation is governed by the rules set by the Board of Directors; directors who also serve as executive officers

of the Corporation are not entitled to receive compensation to directors. Employees' profit sharing bonuses are resolved by a majority vote at a Board of Directors meeting attended by at least two-thirds of the total number of directors and shall be reported to the shareholders' meeting. The Corporation may issue profit sharing bonuses to employees of an affiliated company meeting the conditions set by the Board of Directors or, by the person duly authorized by the Board of Directors.

After the Corporation has set aside the capital reserves pursuant to the second Paragraph of this Article, the balance left over shall be allocated according to the applicable laws and regulations, the relevant rules set forth herein, and the following principles: Earnings may be distributed in total after taking into consideration financial, business and operational factors. Earnings of the Corporation may be distributed by way of cash dividend and/or stock dividend. Since the Corporation is in a capital-intensive industry at the steady growth stage of its business, 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 however, the ratio for stock dividend shall not exceed 50% of total distribution.

In case there are no earnings for distribution, or the earnings are far less than the earnings actually distributed by the Corporation previously, or considering the financial, business or operational factors of the Corporation, the Corporation may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge. When the reserves are to be distributed in cash, the distribution may be approved by the Board of Directors in accordance with Article 241 of the Company Law and reported to the shareholders' meeting, instead of being submitted to the shareholders' meeting for acceptance.

Section VI - Supplementary Provisions

Article 34

The internal organization of the Corporation and the detailed procedures of business operation shall be determined by the Board of Directors.

Article 35

In regard to all matters not provided for in these Articles of Incorporation, the Company Law of the Republic of China shall govern.

Article 36

These Articles of Incorporation are agreed to and signed on December 10, 1986 by all

the promoters of the Corporation, and the first Amendment was approved by the shareholders' meeting on April 28, 1987, the second Amendment on November 27, 1989, the third Amendment on May 28, 1991, the fourth Amendment on May 18, 1993, the fifth Amendment on January 28, 1994, the sixth Amendment on May 12, 1995, the seventh Amendment on April 8, 1996, the eighth Amendment on May 13, 1997, the ninth Amendment on May 12, 1998, the tenth Amendment on May 11, 1999, the eleventh Amendment on April 14, 2000, the twelfth Amendment on September 5, 2000, the thirteenth Amendment on May 15, 2001, the fourteenth Amendment on May 7, 2002, the fifteenth Amendment on June 3, 2003, the sixteenth Amendment on December 21, 2004, the seventeenth Amendment on May 10, 2005, the eighteenth Amendment on May 16, 2006, the nineteenth Amendment on May 7, 2007, the twentieth Amendment on June 15, 2010, the twenty-first Amendment on June 12, 2012, the twenty-second Amendment on June 7, 2016, the twenty-third Amendment on June 8, 2017, the twenty-fourth Amendment on June 5, 2018, the twenty-fifth Amendment on June 5, 2019, the twenty-sixth Amendment on June 8, 2022, and the twenty-seventh Amendment on June 4, 2024.

Appendix III

Taiwan Semiconductor Manufacturing Company Limited

Shareholdings of All Directors

Record Date: April 5, 2025

Title	Name	Shareholdings (Shares)
Chairman	C.C. Wei	6,805,134
Director	F.C. Tseng	29,472,675
Director	National Development Fund, Executive Yuan Representative: Chin-Ching Liu	1,653,709,980
Independent Director	Sir Peter L. Bonfield	-
Independent Director	Michael R. Splinter	-
Independent Director	Moshe N. Gavrielov	-
Independent Director	L. Rafael Reif	-
Independent Director	Ursula M. Burns	-
Independent Director	Lynn L. Elsenhans	-
Independent Director	Chuan Lin	126,826
Total		1,690,114,615

Note 1: Total shares issued as of 4/5/2025: 25,932,733,242 common shares.

Note 2: Shareholdings of the directors did not include any common shares held in the form of American Depositary Shares.

Note 3: As TSMC has a majority of independent directors, and has established the audit committee that satisfies the requirements of the Securities and Exchange Act, the minimum shareholding requirements for directors and supervisors do not apply.