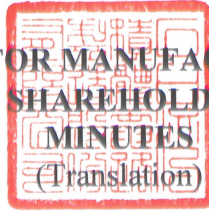


TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED  
2026 ANNUAL SHAREHOLDERS' MEETING



Type of Meeting: Physical Meeting

Time and Date: 9:00 a.m., June 4, 2026

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

Total outstanding TSMC shares (excluding shares with no voting right as provided by Article 179 of the Company Law): 25,932,215,613 shares

Total shares represented by shareholders present in person or by proxy: 22,801,168,410 shares

Percentage of shares held by shareholders present in person or by proxy: 87.92%

Directors present: C.C. Wei, Chuan Lin

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

Secretary: Sylvia Fang

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

**A. Chairman's Address (omitted)**

**B. Report Items**

- I. Reported the business of 2025 (see Attachment I)
- II. 2025 Audit and Risk Committee's review report (see Attachment II)
- III. Reported 2025 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 2025 quarterly cash dividends are demonstrated in the table below:

2025	Approval Date (month/day/year)	Payment Date (month/day/year)	Cash Dividend Per Share (NT\$)	Total Amount (NT\$)
First Quarter	05/13/2025	10/09/2025	5.00001754	129,663,077,605
Second Quarter	08/12/2025	01/08/2026	5.00001118	129,662,912,605
Third Quarter	11/11/2025	04/09/2026	6.00003573	155,595,147,126
Fourth Quarter	02/10/2026	07/09/2026	6.00003573	155,595,147,126

IV. Reported 2025 directors' compensation

Explanatory Notes:

- (1) The 2025 directors' compensation is NT\$156,305,424. 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.

V. Reported 2025 employees' profit sharing bonuses

Explanatory Notes:

- (1) The 2025 employees' profit sharing bonuses were approved by the Board of Directors in its meeting for the first quarter of 2026. The employees' profit sharing bonuses are to be distributed in cash.
- (2) The total amount of the 2025 employees' business performance bonuses and profit sharing bonuses is NT\$206,145,915,284, of which NT\$103,072,957,642 has been distributed following each quarter of 2025 as business performance bonuses, and NT\$103,072,957,642 will be distributed in July 2026 as profit sharing bonuses.

VI. Reported the issuance of unsecured corporate bonds

Explanatory Notes:

As approved by TSMC's Board of Directors, in 2025, the Company completed five issuances of NT dollar-denominated corporate bonds in Taiwan for a total amount of NT\$86.9 billion to finance capacity expansion and/or green initiatives. 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)
114-1 (Green Bond)	03/28/2025	A	12.0	5	1.90	03/28/2030
		B	7.2	10	2.05	03/28/2035

(Amount in NT\$ billion)

Issuance	Issue Date (month/day/year)	Tranche	Amount	Tenor (year)	Coupon (%)	Maturity Date (month/day/year)
114-2 (Green Bond)	06/02/2025	A	12.5	5	1.92	06/02/2030
		B	1.6	10	2.05	06/02/2035
114-3 (Green Bond)	07/09/2025	A	8.3	5	1.92	07/09/2030
		B	4.0	10	2.05	07/09/2035
114-4 (10-year Tranche is Green Bond)	09/18/2025	A	13.8	5	1.66	09/18/2030
		B	4.0	10	1.73	09/18/2035
114-5 (Green Bond)	11/20/2025	A	14.0	5	1.50	11/20/2030
		B	3.0	7	1.53	11/20/2032
		C	6.5	10	1.58	11/20/2035
<b>Interest Payment</b>		Payable annually				
<b>Principal Repayment</b>		Bullet at maturity				

### C. Resolutions

- I. It was proposed to accept 2025 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanatory Notes:

- (1) TSMC's 2025 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) 2025 Business Report, Independent Auditors' Report, the aforementioned Financial Statements, and Earnings Distribution Table are attached hereto as Attachments I, IV, V and VI.

Voting Results:

Shares represented at the time of voting: 22,801,153,704

Voting Results*		% of the total represented share present
Votes in favor:	20,288,642,651 votes (14,339,135,290 votes)	88.98%
Votes against:	72,456,637 votes (72,440,157 votes)	0.31%
Votes invalid:	46,440 votes	0.00%
Votes abstained:	2,440,007,976 votes (2,434,727,394 votes)	10.70%

\* including votes casted electronically (numbers in brackets)

RESOLVED, that the 2025 Business Report and Financial Statements were hereby accepted as submitted.

- II. It was proposed to approve revisions to the Articles of Incorporation (Proposed by the Board of Directors)

Explanatory Notes:

- (1) Article 19 of TSMC’s Articles of Incorporation currently provides that “The Corporation shall have seven to ten Directors”. In light of the rapidly changing business environment, and to allow the Company to have more flexibility to include additional Directors with diverse professional backgrounds and experiences, it was proposed to amend the number of Directors set forth in Article 19 to “The Corporation shall have nine to twelve Directors”.
- (2) The Comparison Table for the Articles of Incorporation Before and After Revision is attached hereto as Attachment VII.

Voting Results:

Shares represented at the time of voting: 22,801,153,704

Voting Results*		% of the total represented share present
Votes in favor:	20,385,990,529 votes (14,436,598,376 votes)	89.40%
Votes against:	5,036,260 votes (4,933,264 votes)	0.02%
Votes invalid:	43,440 votes	0.00%
Votes abstained:	2,410,083,475 votes (2,404,771,201 votes)	10.57%

\* including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal was hereby approved as proposed.

- III. It was proposed to approve revisions to the Procedures for Acquisition or Disposal of Assets (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The Financial Supervisory Commission amended its “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”. TSMC’s “Procedures for Acquisition or Disposal of Assets” (the “Procedures”) require amendments to reflect such regulatory changes.

The major amendments, pursuant to the regulations, are: For companies with paid-in capital of NT\$50 billion or more, the disclosure threshold for the following transactions will be changed from NT\$1 billion and NT\$0.3 billion, respectively, to 5% of the company’s paid-in capital: (i) acquisition or disposal of equipment or right-of-use assets thereof for business use where the

transaction counterparty is not a related party; and (ii) buying or selling of government bonds, corporate bonds or bank debentures without equity characteristics (excluding subordinated debt) traded on securities exchanges or OTC markets.

Furthermore, to facilitate compliance with and timely adoption of future regulatory changes, it was proposed to amend Article 4 and Article 7 of the Procedures and to stipulate that any subsequent changes in regulations shall be directly applied as revised.

- (2) The Comparison Table for the Procedures for Acquisition or Disposal of Assets Before and After Revision is attached hereto as Attachment VIII.

**Voting Results:**

Shares represented at the time of voting: 22,801,153,704

Voting Results*		% of the total represented share present
Votes in favor:	20,385,841,101 votes (14,436,333,967 votes)	89.40%
Votes against:	4,730,322 votes (4,710,615 votes)	0.02%
Votes invalid:	43,440 votes	0.00%
Votes abstained:	2,410,538,841 votes (2,405,258,259 votes)	10.57%

\* including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal was hereby approved as proposed.

Shareholders' Questions and Responses from the Company: (note: Given that numerous questions were raised, the questions and answers from this session are summarized herein, with brief descriptions of the responses provided by either the Chairman or the designated appropriate persons, and are organized under the following categories.)

Shareholders raised questions regarding the investment in advanced process equipment (High-NA EUV), advanced packaging technology, capital expenditures, global capacity allocation, progress of overseas investments, future applications, robotics and autonomous vehicles, pricing issues, competitive landscape, technology protection, the disposal of Vanguard International Semiconductor Corporation (VIS) shares, stock splits, share repurchases, cash dividends, employee profit-sharing, TSMC's Articles of Incorporation, the business of the affiliated Emerging Fund, L.P., Board of Directors candidates, and other related issues.

Answers provided by the Chairman or the persons designated by the Chairman are summarized as follows:

- TSMC has acquired High-NA EUV equipment and is currently conducting relevant research and development.
- TSMC also continues its research and development of advanced packaging technology to achieve the highest technological standards and production efficiency.
- Capital expenditures are planned based on demand forecasts provided by TSMC's customers and its customers' customers, and the Company remains highly confident about the outlook for the next few years.

- Global capacity deployment is determined by factors such as customer demand, local government support and operational efficiency; Taiwan continues to serve as TSMC's largest core base for R&D and manufacturing, while its fabs in Nanjing, Japan, and the U.S. are all operating stably and making steady progress.
- TSMC's investments in the U.S. continue to make progress, and any capital increase requires prior government approval; currently, the second Arizona fab is underway (tool-in stage) while construction of the third fab has just commenced; the second Kumamoto fab is planned to produce 3nm technology, with construction progressing on schedule, and since building fabs takes time, there are no shortcuts.
- While TSMC cannot foresee every future application, semiconductors will always remain the foundation of technological developments, with robotics and autonomous vehicles representing a key direction for the future.
- Regarding wafer pricing, TSMC must reflect its value, and the growth in gross profit margin in recent years is precisely the result of its efforts; TSMC maintains a partnership with its customers, meaning pricing should be strategic rather than opportunistic, and earning its customers' trust is essential to achieving sustainable operations.
- TSMC has never been short of competition, and the Company will continuously strive to outperform them, offer the best technology, maximize production efficiency, and earn customer trust.
- With fabs established in multiple regions, TSMC has a highly sophisticated system in place to protect trade secrets and ensure that technology leakage does not occur.
- The recent disposal of VIS shares does not affect TSMC's strategic cooperative relationship with VIS, and the Company has no plans to further dispose of VIS shares in the foreseeable future.
- According to TSMC's study, under the current odd-lot trading system, there is no need for a stock split.
- A sustainable and steadily increasing dividend policy, coupled with the long-term support of the stock price driven by continuous profitable growth, is the best return TSMC can offer to its shareholders; therefore, share buybacks are not under its consideration.
- TSMC's cash dividend policy is sustainable and steadily increasing; compared to last year, the dividend per share has increased by over 30% this year.
- Employee profit-sharing has maintained an annual growth rate of 30% in recent years and is projected to increase by more than 30% this year; profit-sharing has no ceiling; since many of TSMC's employees are also shareholders, taking care of shareholders and employees is the same thing; to achieve sustainable operations, the Company must balance the interests of its employees, shareholders, and society. As an industry leader, TSMC employs Taiwan's talent and utilizes significant amounts of water, electricity, and land, and the Company takes on greater responsibility toward Taiwanese society.
- The retention of Solar and LED businesses within the scope of business in TSMC's Articles of Incorporation is intended to maintain flexibility; however, the Company currently has no related plans in this regard.
- Given that research and development expenses for advanced processes are high, the Emerging Fund can effectively allow TSMC's emerging customers to access the Company's advanced processes as fast as possible.
- The list of candidates for the next term of Board of Directors will be officially proposed in due course next year.

#### **D. Special Motion**

Shareholders raised questions regarding the trade secret case involving vendor employees, employee performance appraisals, ecological conservation, resource utilization,

occupational safety management, and other related issues.

Answers provided by the Chairman or the persons designated by the Chairman are summarized as follows:

- The trade secret case was due to errors committed by TEL employees and not a result of company policy, and legal penalties have been imposed; TEL also cooperated with the investigation in this case, and both parties will continue to cooperate.
- With all employees united in their efforts to deliver strong operational results, the Company will ensure that its employees are taken care of, and the performance appraisal system remains unchanged.
- The planning of science parks is led by the government, and TSMC believes the government will have a comprehensive plan; regarding ecological conservation, the Company is actively committed to it and has achieved excellent results in leopard cat and Central Taiwan gudgeon (*Squalidus banarencui*) conservation, among others; TSMC's conservation efforts for the Eastern Grass Owl also involve collaboration with relevant industry, government, and academic institutions, and the Company is currently participating in the ecological corridor connectivity project for the Eastern Grass Owl in the southwest region of Taiwan.
- As TSMC consumes nearly 10% of Taiwan's electricity and utilizes a significant amount of land and water, the Company will assume greater responsibility; in addition to contributing approximately 25% of Taiwan's corporate and individual income tax revenue, TSMC continues to strive for energy conservation, carbon reduction, and water-saving measures, while working to align with the government's green energy development and investing in carbon capture technology and other projects.
- TSMC bears ultimate responsibility for construction site safety, and the Company's construction sites are now under its direct management; TSMC worked with contractors to redefine execution standards and procedures, establishing real-time review mechanisms and requiring strict compliance; TSMC also changed its procurement policy to make safety the paramount consideration, focusing on whether a vendor has a record of major industrial safety incidents in recent years and whether they have developed new construction methods that enhance safety; furthermore, TSMC utilizes AI and drones to assist in site monitoring, improved the on-site rest area, and will establish a Taiwan semiconductor construction safety association to share its experience and new construction methods, enabling its construction partners to expand their application to other construction sites in Taiwan, thereby driving progress and improvement across Taiwan's construction sites.

There being no other business and special motion, upon a motion duly made and seconded, the meeting was adjourned.



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C.C. Wei  
Chairman of the Board of Directors



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Sylvia Fang  
Secretary

## **Business Report**

2025 was another strong year for TSMC. We observed robust AI-related demand throughout the year, while non-AI end market segments bottomed out and witnessed a mild recovery. Concluding 2025, the Foundry 2.0 industry increased 16% year-over-year. Supported by our strong technology differentiation and broad customer base, TSMC's revenue increased 35.9% year-over-year in US dollar terms, and both our revenue and EPS set new record highs.

In 2025, developments in the AI market continued to be very positive. The explosive growth in token volume demonstrates increasing consumer AI model adoption. Enterprise AI is another source of demand as companies such as TSMC leverage AI internally to drive greater productivity and efficiency to create more value. In addition, we continue to observe the rising emergence of Sovereign AI.

Thus, our conviction in the AI megatrend is strengthening, and we believe the demand for semiconductors is very fundamental.

As a Foundry, our biggest responsibility is to support our customers with the most advanced technologies and necessary capacity to unleash their innovations.

We continued to invest in R&D and technology development to support our customers' growth. Demand for our advanced technologies, defined as 7-nanometer and more advanced technologies, continued to be robust, driven by smartphone, High Performance Computing (HPC), Automotive and Internet of Things (IoT) applications. In its third full year of volume ramp, 3-nanometer technologies represented 24% of our total wafer revenue in 2025.

Our 2-nanometer technology successfully entered high volume manufacturing in 4Q'25, with good yield, and we expect a fast ramp in 2026. With our strategy of continuous enhancements, we also introduce N2P and A16 as extensions of our N2 family. N2P features further performance and power benefits, on top of N2. A16 features our best-in-class Super Power Rail, or SPR, and is best-suited for specific HPC products with complex signal routes and dense power delivery networks. Volume production for both N2P and A16 is scheduled for the second half of 2026.

Featuring our second generation nanosheet transistor structure, A14 will be another full-node stride from N2, with performance and power benefits to address the increasing structural need for high performance and energy-efficient computing. A14 technology development is progressing well, and volume production is scheduled for 2028.

We are also developing advanced packaging and 3D chip stacking technologies, including CoWoS<sup>®</sup>, InFO, TSMC-SoIC<sup>®</sup> (System on Integrated Chips) and TSMC-COUBE<sup>™</sup> (Compact Universal Photonic Engine), 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 our advanced process technologies, specialty technologies, and advanced packaging and chip stacking solutions lead the industry in addressing the insatiable demand for energy-efficient computing, and will further extend our technology leadership position well into the future.

To address the structural increase in the long-term market demand profile, TSMC works closely with our customers and our customers' customers to plan our capacity, while sticking to our disciplines. We focus on the overall addressable megatrend to determine the appropriate capacity to build, and are investing in leading edge, specialty and advanced packaging technologies to support our customers' growth.

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

In March of 2025, we announced an additional investment plan to further expand in the United States, to support the strong multi-year demand from our customers. We are making tangible progress in Arizona, speeding up our capacity expansion and executing well to our plan.

Our first fab has already successfully entered high volume production in 4Q'24, with good yield. We are pulling forward the production schedule of our second fab, and expect to enter high volume manufacturing in the second half of 2027. Construction of our third fab has also begun in 2025.

Furthermore, we have just completed the purchase of a second large piece of land nearby, to support our current expansion plans and provide more flexibility in response to the very strong multi-year AI-related demand.

Our plan will enable TSMC to scale up to an independent GIGAFAB<sup>®</sup> cluster in Arizona, to support the needs of our leading-edge customers in smartphone, AI and HPC applications.

In Japan, our first specialty technology fab in Kumamoto began volume production at the end of 2024, with very good yield. We are now planning to use 3nm process technology for production at JASM's second fab, currently under construction in Kumamoto, to meet strong demand driven by AI. In Europe, we are progressing smoothly with our plans to build a specialty technology fab in Dresden, Germany, focusing on automotive and industrial applications.

In Taiwan, we are preparing multiple phases of 2nm fabs in both Hsinchu and Kaohsiung Science Parks. We will continue to invest in leading edge and advanced packaging facilities in Taiwan over the next several years across several locations, with a strong emphasis on construction site safety.

By expanding our global footprint while continuing to invest in Taiwan, TSMC can continue to be the trusted technology and capacity provider of the global logic IC industry for years to come.

We also made significant progress towards our sustainability targets in 2025. In April, we announced our commitment to the Science Based Targets Initiative (SBTi), setting key milestones to meet on our way to reaching 100% renewable energy by 2040, and net-zero emissions by 2050.

Highlights of TSMC's accomplishments in 2025:

- Total wafer shipments were 15.0 million 12-inch equivalent wafers as compared to 12.9 million 12-inch equivalent wafers in 2024.
- Advanced technologies (7-nanometer and beyond) accounted for 74 percent of total wafer revenue, up from 69 percent in 2024.
- We deployed 305 distinct process technologies, and manufactured 12,682 products for 534 customers.

## **2025 Financial Performance**

Consolidated revenue reached NT\$3,809.05 billion, an increase of 31.6 percent over NT\$2,894.31 billion in 2024. Net income was NT\$1,717.88 billion and diluted earnings per share were NT\$66.25. Both increased 46.4 percent from the 2024 level of NT\$1,173.27 billion net income and NT\$45.25 diluted EPS.

In US dollar terms, TSMC generated net income of US\$55.21 billion on consolidated revenue of US\$122.42 billion, which increased 51.2 percent and 35.9 percent respectively from the 2024 level of US\$36.52 billion net income and US\$90.08 billion consolidated revenue.

Gross profit margin was 59.9 percent as compared with 56.1 percent in 2024, while operating profit margin was 50.8 percent compared with 45.7 percent a year earlier. Net profit margin was 45.1 percent, an increase of 4.6 percentage points from 2024's 40.5 percent.

In 2025, the Company further raised its total cash dividend payments to NT\$18.0 per share, up from NT\$14.0 a year ago.

## **Outlook**

Entering 2026, we expect AI-related demand to continue to be robust, even as macroeconomic uncertainties persist. Underpinned by strong demand for our leading-edge, specialty and advanced packaging technologies, we are confident we can continue to outperform the industry growth.

Looking ahead, we observe increasing AI model adoption across Consumer, Enterprise and Sovereign AI segments. This is driving need for more and more computation, which supports the robust demand for leading-edge silicon.

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

Our success is predicated on our steadfast adherence to the pure-play foundry business model. We will continue to invest in technology and capacity to support our customers' growth, while sticking to our disciplines to ensure we earn a sustainable and healthy return for our shareholders.

TSMC's mission is to be the trusted technology and capacity provider for the global logic IC industry for years to come. We will focus on the Fundamentals of Our Business – Technology Leadership, Manufacturing Excellence, and Customer Trust – to further strengthen our competitive position, while serving our customers and enabling them to be successful.

In an ever-changing world, we will remain faithful to our core values of Integrity, Commitment, Innovation, and Customer Trust to navigate the uncertainties. We do not take our responsibilities lightly, and we will continue to focus on investing in technology and capacity to support our customers' growth, while delivering profitable growth and maximizing the value to our shareholders. Thank you for your support, and we look forward to growing together in the years to come.

**Audit and Risk Committee's Review Report**

The Board of Directors has prepared the Company's 2025 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:



Sir Peter L. Bonfield

February 10, 2026



**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, 2025 and 2024, 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, 2025 and 2024, 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, 2025. 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, 2025 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, 2025 and 2024 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:

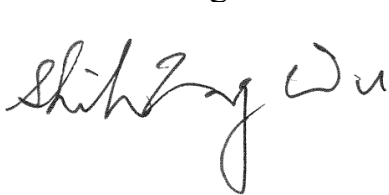
1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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, 2025 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 10, 2026

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)

	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6)	\$ 2,767,856,402	35	\$ 2,127,627,043	32
Financial assets at fair value through profit or loss (Note 7)	100,200	-	207,700	-
Financial assets at fair value through other comprehensive income (Note 8)	175,692,690	2	192,202,657	3
Financial assets at amortized cost (Note 9)	124,945,519	2	101,971,322	1
Hedging financial assets (Note 10)	-	-	10,959	-
Notes and accounts receivable, net (Note 11)	279,051,553	3	270,683,235	4
Receivables from related parties (Note 33)	2,739,500	-	1,404,473	-
Other receivables from related parties (Note 33)	268,115	-	251	-
Inventories (Notes 5 and 12)	288,109,485	4	287,868,810	4
Other financial assets (Notes 29, 30 and 34)	59,702,922	1	63,138,316	1
Other current assets (Notes 29 and 30)	118,664,431	1	43,237,354	1
Total current assets	3,817,130,817	48	3,088,352,120	46
<b>NONCURRENT ASSETS</b>				
Financial assets at fair value through profit or loss (Note 7)	15,032,128	-	15,199,842	-
Financial assets at fair value through other comprehensive income (Note 8)	8,797,170	-	7,822,884	-
Financial assets at amortized cost (Note 9)	110,507,804	1	88,596,542	1
Investments accounted for using equity method (Note 13)	38,033,271	1	37,421,105	1
Property, plant and equipment (Notes 5, 14 and 29)	3,691,840,916	47	3,234,980,070	48
Right-of-use assets (Notes 5 and 15)	43,918,910	1	40,128,391	1
Intangible assets (Notes 5 and 16)	24,952,615	-	26,282,520	1
Deferred income tax assets (Notes 5 and 25)	62,940,253	1	65,943,300	1
Refundable deposits	4,242,553	-	5,495,862	-
Other noncurrent assets (Notes 29 and 30)	115,627,441	1	81,715,364	1
Total noncurrent assets	4,115,893,061	52	3,603,585,880	54
<b>TOTAL</b>	<b>\$ 7,933,023,878</b>	<b>100</b>	<b>\$ 6,691,938,000</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Financial liabilities at fair value through profit or loss (Note 7)	\$ 3,083,883	-	\$ 466,539	-
Hedging financial liabilities (Note 10)	817	-	-	-
Accounts payable	82,551,595	1	72,800,558	1
Payables to related parties (Note 33)	1,778,730	-	1,426,001	-
Salary and bonus payable	63,872,882	1	47,451,509	1
Accrued profit sharing bonus to employees and compensation to directors (Note 28)	103,355,278	1	70,871,150	1
Payables to contractors and equipment suppliers	177,730,306	2	192,635,173	3
Cash dividends payable (Note 20)	285,258,060	4	220,418,821	3
Income tax payable (Notes 5 and 25)	202,337,872	2	147,438,423	2
Long-term liabilities - current portion (Notes 17, 18 and 30)	136,925,710	2	59,857,879	1
Accrued expenses and other current liabilities (Notes 5, 15, 21 and 30)	401,124,156	5	451,158,911	7
Total current liabilities	1,458,019,289	18	1,264,524,964	19
<b>NONCURRENT LIABILITIES</b>				
Bonds payable (Notes 17 and 30)	856,227,503	11	926,604,506	14
Long-term bank loans (Notes 18 and 30)	39,834,496	1	31,824,386	-
Deferred income tax liabilities (Notes 5 and 25)	3,888,795	-	3,988,482	-
Lease liabilities (Notes 15)	31,594,992	-	28,755,342	-
Net defined benefit liability (Note 19)	6,012,286	-	7,580,657	-
Guarantee deposits	764,178	-	845,581	-
Others (Note 21)	75,887,056	1	104,238,217	2
Total noncurrent liabilities	1,014,209,306	13	1,103,837,171	16
Total liabilities	2,472,228,595	31	2,368,362,135	35
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>				
Capital stock (Note 20)	259,325,245	3	259,327,332	4
Capital surplus (Notes 20 and 27)	73,445,601	1	73,260,765	2
Retained earnings (Note 20)				
Appropriated as legal capital reserve	311,146,899	4	311,146,899	4
Appropriated as special capital reserve	87,284,496	1	-	-
Unappropriated earnings	4,705,070,165	59	3,606,105,124	54
Others (Notes 20 and 27)	5,103,501,560	64	3,917,252,023	58
	(16,676,412)	-	38,705,047	-
Equity attributable to shareholders of the parent	5,419,595,994	68	4,288,545,167	64
<b>NON - CONTROLLING INTERESTS</b>	41,199,289	1	35,030,698	1
Total equity	5,460,795,283	69	4,323,575,865	65
<b>TOTAL</b>	<b>\$ 7,933,023,878</b>	<b>100</b>	<b>\$ 6,691,938,000</b>	<b>100</b>

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)

	2025		2024	
	Amount	%	Amount	%
NET REVENUE (Notes 5, 21, 33 and 39)	\$ 3,809,054,272	100	\$ 2,894,307,699	100
COST OF REVENUE (Notes 5, 12, 28, 33 and 36)	1,527,760,293	40	1,269,954,135	44
GROSS PROFIT	2,281,293,979	60	1,624,353,564	56
OPERATING EXPENSES (Notes 5, 28 and 33)				
Research and development	246,427,264	7	204,181,823	7
General and administrative	82,304,290	2	83,744,968	3
Marketing	16,918,076	-	13,143,524	-
Total operating expenses	345,649,630	9	301,070,315	10
OTHER OPERATING INCOME AND EXPENSES, NET (Notes 14, 28 and 36)	447,328	-	(1,230,199)	-
INCOME FROM OPERATIONS (Note 39)	1,936,091,677	51	1,322,053,050	46
NON-OPERATING INCOME AND EXPENSES				
Share of profits of associates	5,496,594	-	4,879,367	-
Interest income (Note 22)	105,739,081	3	87,213,399	3
Other income	591,729	-	566,879	-
Foreign exchange gain, net (Note 37)	13,831,351	-	10,000,653	-
Finance costs (Note 23)	(12,370,387)	-	(10,495,320)	-
Other gains and losses, net (Note 24)	(7,717,205)	-	(8,379,393)	-
Total non-operating income and expenses	105,571,163	3	83,785,585	3
INCOME BEFORE INCOME TAX	2,041,662,840	54	1,405,838,635	49
INCOME TAX EXPENSE (Notes 5 and 25)	326,266,060	9	233,406,876	8
NET INCOME	1,715,396,780	45	1,172,431,759	41
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	(693,271)	-	144,365	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	745,272	-	5,091,916	-
Gain (loss) on hedging instruments	(31,030)	-	5,041	-
Share of other comprehensive loss of associates	(113,192)	-	(69,435)	-
Income tax benefit (expense) related to items that will not be reclassified subsequently	138,654	-	(38,869)	-
	46,433	-	5,133,018	-

(Continued)

# Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	\$ (60,951,662)	(1)	\$ 64,299,685	2
Unrealized gain on investments in debt instruments at fair value through other comprehensive income	4,688,956	-	1,949,865	-
Loss on hedging instruments	(81,229)	-	(80,198)	-
Share of other comprehensive income (loss) of associates	(29,017)	-	283,276	-
	<u>(56,372,952)</u>	<u>(1)</u>	<u>66,452,628</u>	<u>2</u>
Other comprehensive income (loss), net of income tax	<u>(56,326,519)</u>	<u>(1)</u>	<u>71,585,646</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 1,659,070,261</u>	<u>44</u>	<u>\$ 1,244,017,405</u>	<u>43</u>
NET INCOME ATTRIBUTABLE TO:				
Shareholders of the parent	\$ 1,717,882,627	45	\$ 1,173,267,703	41
Non-controlling interests	<u>(2,485,847)</u>	<u>-</u>	<u>(835,944)</u>	<u>-</u>
	<u>\$ 1,715,396,780</u>	<u>45</u>	<u>\$ 1,172,431,759</u>	<u>41</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of the parent	\$ 1,661,253,891	44	\$ 1,245,836,616	43
Non-controlling interests	<u>(2,183,630)</u>	<u>-</u>	<u>(1,819,211)</u>	<u>-</u>
	<u>\$ 1,659,070,261</u>	<u>44</u>	<u>\$ 1,244,017,405</u>	<u>43</u>
EARNINGS PER SHARE (NT\$, Note 26)				
Basic earnings per share	<u>\$ 66.26</u>		<u>\$ 45.25</u>	
Diluted earnings per share	<u>\$ 66.25</u>		<u>\$ 45.25</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 Equity							
	Capital Stock - Common Stock			Capital Surplus		Legal Capital Reserve		Retained Earnings		Foreign Currency Translation Reserve		Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income			Gain (Loss) on Hedging Instruments		Uncaptured Stock-Based Compensation		Treasury Stock		Total
	Shares (In Thousands)	Amount		Amount		Amount		Special Reserve	Unappropriated Earnings	Total	Amount		Amount			Amount		Amount		Amount	
BALANCE, JANUARY 1, 2024	25,932,071	\$ 259,320,710	\$ 69,876,381	\$ 311,146,899	\$ -	\$ 2,846,883,893	\$ 3,158,030,792	\$ (25,316,769)	\$ (4,099,928)	\$ 1,395,875	\$ (293,434)	\$ (41,491,586)	\$ (41,491,586)	\$ (41,491,586)	\$ -	\$ 3,458,913,627	\$ 24,349,220	\$ -	\$ -	\$ -	\$ 3,483,262,847
Appropriations of earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss), net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee restricted shares retired	(1,402)	(14,018)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payment arrangements	5,313	53,130	2,584,257	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock acquired	(3,249)	(32,490)	(7,080)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock retired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Basis adjustment for gain on hedging instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments to share of changes in equities of associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
From difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
From share of changes in equities of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donation from shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BALANCE, DECEMBER 31, 2024	25,932,733	259,327,332	73,260,765	311,146,899	-	3,606,105,124	3,917,252,023	40,262,995	(1,160,176)	1,310,307	(1,708,079)	38,705,047	4,288,845,167	35,030,698	4,323,575,865	53,497,733	-	-	-	5,349,773	4,377,075,638
Appropriations of earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special capital reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income (loss), net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee restricted shares retired	(2,087)	(20,870)	(4,618)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock retired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payment arrangements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Basis adjustment for gain on hedging instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments to share of changes in equities of associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
From share of changes in equities of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donation from shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BALANCE, DECEMBER 31, 2025	25,932,524	\$ 259,325,945	\$ 73,445,601	\$ 311,146,899	\$ 87,284,496	\$ 4,705,070,165	\$ 5,103,501,560	\$ (21,019,144)	\$ 3,591,483	\$ 1,228,250	\$ (477,001)	\$ (16,676,412)	\$ 5,419,595,994	\$ 41,199,289	\$ 5,460,795,283	\$ 53,497,733	-	-	-	\$ 5,514,293,016	\$ 5,518,090,749

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)

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 2,041,662,840	\$ 1,405,838,635
Adjustments for:		
Depreciation expense	679,683,958	653,610,486
Amortization expense	8,412,412	9,186,149
Expected credit losses recognized (reversal) on investments in debt	(3,946)	49,907
Finance costs	12,370,387	10,495,320
Share of profits of associates	(5,496,594)	(4,879,367)
Interest income	(105,739,081)	(87,213,399)
Share-based compensation	1,246,070	1,242,719
Loss on disposal or retirement of property, plant and equipment, net	1,581,001	2,597,927
Loss on disposal or retirement of intangible assets, net	4,548	34
Impairment loss on property, plant and equipment	782,005	1,150,485
Loss (gain) on financial instruments at fair value through profit or loss, net	(353,087)	137,694
Loss from disposal of subsidiary	167,986	-
Loss on disposal of investments in debt instruments at fair value through other comprehensive income, net	200,194	683,117
Gain on disposal of investments accounted for using equity method, net	-	(7,126)
Loss on foreign exchange, net	4,308,948	4,576,295
Dividend income	(591,729)	(566,879)
Others	1,049,215	(435,644)
Changes in operating assets and liabilities:		
Financial instruments at fair value through profit or loss	8,436,241	842,623
Notes and accounts receivable, net	(8,368,318)	(69,369,394)
Receivables from related parties	(1,335,027)	(780,022)
Other receivables from related parties	(267,864)	71,620
Inventories	(240,675)	(36,871,722)
Other financial assets	64,524,848	(2,377,515)
Other current assets	(74,620,318)	(15,537,261)
Other noncurrent assets	(38,798,107)	(3,862,018)
Accounts payable	9,751,037	17,073,801
Payables to related parties	352,732	(140,299)
Salary and bonus payable	16,421,373	14,250,946
Accrued profit sharing bonus to employees and compensation to directors	32,484,128	20,154,206
Accrued expenses and other current liabilities	(103,215,542)	74,659,388
Other noncurrent liabilities	385,084	16,768,683
Net defined benefit liability	(2,261,642)	(1,532,202)
Cash generated from operations	<u>2,542,533,077</u>	<u>2,009,817,187</u>
Income taxes paid	<u>(267,557,452)</u>	<u>(183,640,119)</u>
Net cash generated by operating activities	<u>2,274,975,625</u>	<u>1,826,177,068</u>

(Continued)

# Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	2025	2024
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of:		
Financial instruments at fair value through profit or loss	\$ (260,086)	\$ (1,178,766)
Financial assets at fair value through other comprehensive income	(66,823,227)	(87,787,521)
Financial assets at amortized cost	(188,288,632)	(151,656,371)
Hedging financial instruments	(631,620)	-
Investments accounted for using equity method	-	(3,738,753)
Property, plant and equipment	(1,272,410,529)	(956,006,536)
Intangible assets	(10,146,942)	(8,875,660)
Proceeds from disposal or redemption of:		
Financial assets at fair value through other comprehensive income	80,052,393	67,684,556
Financial assets at amortized cost	138,203,740	118,350,898
Property, plant and equipment	797,045	894,573
Intangible assets	-	57,182
Derecognition of derivative financial instruments	(5,703,098)	-
Proceeds from return of capital of investments in equity instruments at fair value through other comprehensive income	101,486	325,952
Derecognition of hedging financial instruments	566,873	118,320
Interest received	98,954,730	76,434,070
Proceeds from government grants - property, plant and equipment	76,258,790	75,163,982
Proceeds from government grants - others	-	267
Other dividends received	635,098	541,803
Dividends received from investments accounted for using equity method	3,304,492	2,965,201
Increase in prepayments for leases	(39,840)	(99,427)
Refundable deposits paid	(420,179)	(1,304,815)
Refundable deposits refunded	1,456,099	3,268,276
	<u>(1,144,393,407)</u>	<u>(864,842,769)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in hedging financial liabilities - bank loans	335,106	(26,496,570)
Proceeds from issuance of bonds	86,900,000	34,300,000
Repayment of bonds	(54,310,000)	(7,000,000)
Proceeds from long-term bank loans	10,658,400	30,897,000
Repayment of long-term bank loans	(2,710,000)	(2,295,556)
Payments for transaction costs attributable to the issuance of bonds	(90,308)	(35,681)
Treasury stock acquired	-	(3,089,177)
Repayment of the principal portion of lease liabilities	(3,496,528)	(2,873,640)
Interest paid	(19,128,799)	(18,751,233)
Guarantee deposits received	3,000	4,990
Guarantee deposits refunded	(48,549)	(93,332)
Cash dividends	(466,779,199)	(363,055,226)
Disposal of ownership interests in subsidiaries (without losing control)	-	1,021
Donation from shareholders	26,780	8,947
Increase in non-controlling interests	8,295,405	12,177,547
	<u>(440,344,692)</u>	<u>(346,300,910)</u>
		(Continued)

# Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	2025	2024
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	\$ (50,008,167)	\$ 47,165,901
NET INCREASE IN CASH AND CASH EQUIVALENTS	640,229,359	662,199,290
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,127,627,043</u>	<u>1,465,427,753</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,767,856,402</u>	<u>\$ 2,127,627,043</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, 2025 and 2024, 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, 2025 and 2024, 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, 2025. 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, 2025 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, 2025 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 10, 2026

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)

	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6)	\$ 1,067,035,432	15	\$ 1,035,061,499	17
Financial assets at fair value through profit or loss (Note 7)	54,890	-	13,174	-
Financial assets at amortized cost (Note 8)	-	-	14,208,158	-
Notes and accounts receivable, net (Note 10)	46,702,679	1	39,497,003	1
Receivables from related parties (Note 30)	208,783,038	3	210,300,175	4
Other receivables from related parties (Note 30)	4,325,893	-	5,313,087	-
Inventories (Notes 5 and 11)	252,320,369	3	270,716,472	4
Other financial assets	15,334,569	-	4,927,482	-
Other current assets	36,398,294	-	29,528,046	1
Total current assets	1,630,955,164	22	1,609,565,096	27
<b>NONCURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income	1,086,940	-	1,058,347	-
Investments accounted for using equity method (Note 12)	2,492,766,080	34	1,758,587,882	29
Property, plant and equipment (Notes 5 and 13)	2,991,673,431	41	2,537,292,611	42
Right-of-use assets (Notes 5 and 14)	41,870,717	1	37,899,147	1
Intangible assets (Notes 5 and 15)	19,574,877	-	20,452,082	-
Deferred income tax assets (Notes 5 and 23)	53,147,642	1	60,178,345	1
Refundable deposits	3,836,610	-	3,783,511	-
Other noncurrent assets	41,302,872	1	8,432,279	-
Total noncurrent assets	5,645,259,169	78	4,427,684,204	73
<b>TOTAL</b>	<b>\$ 7,276,214,333</b>	<b>100</b>	<b>\$ 6,037,249,300</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Financial liabilities at fair value through profit or loss (Note 7)	\$ 3,070,087	-	\$ 439,110	-
Accounts payable	74,198,152	1	64,054,077	1
Payables to related parties (Note 30)	18,524,963	-	10,137,811	-
Salary and bonus payable	48,967,710	1	37,440,411	1
Accrued profit sharing bonus to employees and compensation to directors (Note 26)	103,097,239	1	70,520,129	1
Payables to contractors and equipment suppliers	168,648,840	2	150,280,751	3
Cash dividends payable (Note 18)	285,258,060	4	220,418,821	4
Income tax payable (Notes 5 and 23)	201,492,741	3	146,420,994	2
Long-term liabilities - current portion (Notes 16 and 27)	61,940,126	1	24,397,381	-
Accrued expenses and other current liabilities (Notes 5, 14, 19, 27 and 30)	340,755,301	5	449,236,841	7
Total current liabilities	1,305,953,219	18	1,173,346,326	19
<b>NONCURRENT LIABILITIES</b>				
Bonds payable (Notes 16 and 27)	476,131,202	7	453,839,281	8
Deferred income tax liabilities (Notes 5 and 23)	3,860,196	-	3,925,320	-
Lease liabilities (Note 14)	30,289,119	-	27,206,865	1
Net defined benefit liability (Note 17)	6,012,286	-	7,580,657	-
Guarantee deposits	756,871	-	837,379	-
Others (Notes 19 and 30)	33,615,446	1	81,968,305	1
Total noncurrent liabilities	550,665,120	8	575,357,807	10
Total liabilities	1,856,618,339	26	1,748,704,133	29
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>				
Capital stock (Note 18)	259,325,245	3	259,327,332	4
Capital surplus (Notes 18 and 25)	73,445,601	1	73,260,765	2
Retained earnings (Note 18)				
Appropriated as legal capital reserve	311,146,899	4	311,146,899	5
Appropriated as special capital reserve	87,284,496	1	-	-
Unappropriated earnings	4,705,070,165	65	3,606,105,124	60
Others (Notes 18 and 25)	(16,676,412)	-	38,705,047	-
Total equity	5,419,595,994	74	4,288,545,167	71
<b>TOTAL</b>	<b>\$ 7,276,214,333</b>	<b>100</b>	<b>\$ 6,037,249,300</b>	<b>100</b>

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)

	2025		2024	
	Amount	%	Amount	%
NET REVENUE (Notes 5, 19 and 30)	\$ 3,784,388,760	100	\$ 2,880,383,350	100
COST OF REVENUE (Notes 5, 11, 26, 30 and 32)	1,564,313,067	41	1,306,140,916	45
GROSS PROFIT	2,220,075,693	59	1,574,242,434	55
OPERATING EXPENSES (Notes 5, 26 and 30)				
Research and development	237,020,711	7	198,449,799	7
General and administrative	68,029,114	2	50,832,908	2
Marketing	7,871,571	-	6,264,188	-
Total operating expenses	312,921,396	9	255,546,895	9
OTHER OPERATING INCOME AND EXPENSES, NET (Notes 13, 26 and 32)	(663,339)	-	(1,549,447)	-
INCOME FROM OPERATIONS	1,906,490,958	50	1,317,146,092	46
NON-OPERATING INCOME AND EXPENSES				
Share of profits of subsidiaries and associates (Note 12)	107,791,541	3	66,000,702	2
Interest income (Note 20)	28,458,200	1	27,338,300	1
Other income	215,960	-	199,890	-
Foreign exchange gain, net (Note 33)	13,418,209	-	9,988,417	-
Finance costs (Note 21)	(4,354,189)	-	(5,400,986)	-
Other gains and losses, net (Note 22)	(8,030,997)	-	(7,663,446)	-
Total non-operating income and expenses	137,498,724	4	90,462,877	3
INCOME BEFORE INCOME TAX	2,043,989,682	54	1,407,608,969	49
INCOME TAX EXPENSE (Notes 5 and 23)	326,107,055	9	234,341,266	8
NET INCOME	1,717,882,627	45	1,173,267,703	41
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	(693,271)	-	144,365	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	28,593	-	97,396	-
Gain (loss) on hedging instruments	(31,030)	-	5,041	-
Share of other comprehensive income of subsidiaries and associates	602,730	-	4,911,549	-
Income tax benefit (expense) related to items that will not be reclassified subsequently	138,654	-	(38,869)	-
	45,676	-	5,119,482	-

(Continued)

# Taiwan Semiconductor Manufacturing Company Limited

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	\$ (61,273,206)	(2)	\$ 65,330,074	2
Share of other comprehensive income of subsidiaries and associates	4,598,794	-	2,119,357	-
	<u>(56,674,412)</u>	<u>(2)</u>	<u>67,449,431</u>	<u>2</u>
Other comprehensive income (loss), net of income tax	<u>(56,628,736)</u>	<u>(2)</u>	<u>72,568,913</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 1,661,253,891</u>	<u>43</u>	<u>\$ 1,245,836,616</u>	<u>43</u>
EARNINGS PER SHARE (NT\$, Note 24)				
Basic earnings per share	<u>\$ 66.26</u>		<u>\$ 45.25</u>	
Diluted earnings per share	<u>\$ 66.25</u>		<u>\$ 45.25</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		Capital Surplus		Legal Capital Reserve		Special Capital Reserve		Unappropriated Earnings		Total		Foreign Currency Translation Reserve		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		Gain (Loss) on Hedging Instruments		Unearned Stocks-Based Employee Compensation		Total		Treasury Stock		Total Equity	
	Shares (In Thousands)	Amount	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Total	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Unearned Stocks-Based Employee Compensation	Total	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Unearned Stocks-Based Employee Compensation	Total	Treasury Stock	Total Equity							
BALANCE, JANUARY 1, 2024	25,932,071	\$ 259,320,710	\$ 69,876,381	\$ 311,146,899	\$ -	\$ 2,846,883,893	\$ 3,158,030,792	\$ (25,316,769)	\$ (4,099,928)	\$ 1,395,875	\$ (293,434)	\$ (28,314,256)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,458,913,627
Appropriations of earnings	-	-	-	-	-	(414,915,586)	(414,915,586)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(414,915,586)
Cash dividends to shareholders	-	-	-	-	-	(414,915,586)	(414,915,586)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(414,915,586)
Total	-	-	-	-	-	1,173,267,703	1,173,267,703	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,173,267,703
Net income	-	-	-	-	-	126,040	126,040	65,579,764	6,948,818	(85,709)	-	72,442,873	-	-	-	-	-	-	-	-	-	-	-	-	-	72,568,913
Other comprehensive income (loss), net of income tax	-	-	-	-	-	1,173,393,743	1,173,393,743	65,579,764	6,948,818	(85,709)	-	72,442,873	-	-	-	-	-	-	-	-	-	-	-	-	-	1,245,836,616
Total comprehensive income (loss)	-	-	-	-	-	19,934	19,934	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,934
Employee restricted shares retired	(1,402)	(14,018)	14,018	-	-	19,934	19,934	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,934
Share-based payment arrangements	5,313	53,130	2,384,257	-	-	-	-	-	-	-	-	-	-	-	-	(1,414,645)	-	-	-	-	-	-	-	-	-	1,222,742
Treasury stock acquired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,089,177)	-	-	-	-	-	-	(3,089,177)	
Treasury stock retired	(3,249)	(32,490)	(7,080)	-	-	(3,049,607)	(3,049,607)	-	-	-	-	-	-	-	-	-	-	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)	-	-	-	-	-	-	-	-	-	-	-	-	-	(26,319)
Basis adjustment for gain on hedging instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	141
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	141
From share of changes in equities of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	870,000
Donation from shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,883
BALANCE, DECEMBER 31, 2024	25,932,733	\$ 259,327,332	\$ 73,260,765	\$ 311,146,899	\$ -	\$ 3,606,105,124	\$ 3,917,252,023	\$ 40,266,995	\$ (1,160,176)	\$ 1,310,307	\$ (1,708,079)	\$ 38,705,047	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,288,543,167
Appropriations of earnings	-	-	-	-	-	(87,284,496)	(87,284,496)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special capital reserve	-	-	-	-	-	(531,618,438)	(531,618,438)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(531,618,438)
Cash dividends to shareholders	-	-	-	-	-	(618,902,934)	(618,902,934)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(531,618,438)
Total	-	-	-	-	-	1,717,882,627	1,717,882,627	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,717,882,627
Net income	-	-	-	-	-	(559,857)	(559,857)	(61,282,139)	5,308,767	(95,507)	-	(56,068,879)	-	-	-	-	-	-	-	-	-	-	-	-	-	(56,068,879)
Other comprehensive income (loss), net of income tax	-	-	-	-	-	1,717,322,770	1,717,322,770	(61,282,139)	5,308,767	(95,507)	-	(56,068,879)	-	-	-	-	-	-	-	-	-	-	-	-	-	(56,068,879)
Total comprehensive income (loss)	-	-	-	-	-	4,007	4,007	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,007
Employee restricted shares retired	(209)	(2,087)	2,087	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payment arrangements	-	-	(21,859)	-	-	-	-	-	-	-	-	-	-	-	-	1,231,078	-	-	-	-	-	-	-	-	-	1,209,219
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	(557,108)	-	-	(557,108)	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,910)
Basis adjustment for gain on hedging instruments	-	-	-	-	-	541,198	541,198	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,450
Adjustments to share of changes in equities of associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	192,854
From share of changes in equities of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(14,959)
Donation from shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,713
BALANCE, DECEMBER 31, 2025	25,932,524	\$ 259,325,245	\$ 73,445,601	\$ 311,146,899	\$ 87,284,496	\$ 4,705,070,165	\$ 5,103,501,560	\$ (21,019,144)	\$ 3,591,483	\$ 1,228,250	\$ (477,001)	\$ (16,676,412)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,419,595,994

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)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,043,989,682	\$ 1,407,608,969
Adjustments for:		
Depreciation expense	613,432,596	625,747,423
Amortization expense	7,984,252	9,129,469
Reversal of expected credit losses on investments in debt instruments	(13,579)	(2,551)
Finance costs	4,354,189	5,400,986
Share of profits of subsidiaries and associates	(107,791,541)	(66,000,702)
Interest income	(28,458,200)	(27,338,300)
Share-based compensation	1,213,225	1,242,676
Loss on disposal or retirement of property, plant and equipment, net	1,093,208	2,458,920
Gain on disposal or retirement of intangible assets, net	(1,258)	(6,206)
Impairment loss on property, plant and equipment	633,296	1,102,946
Gain on disposal of investments accounted for using equity method, net	-	(7,126)
Loss of disposal of subsidiary	167,986	-
Loss (gain) on foreign exchange, net	4,920,460	(11,760,189)
Dividend income	(215,960)	(199,890)
Others	1,107,314	(458,276)
Changes in operating assets and liabilities:		
Financial instruments at fair value through profit or loss	8,134,179	1,029,990
Notes and accounts receivable, net	(7,205,676)	(5,939,724)
Receivables from related parties	1,517,137	(55,038,298)
Other receivables from related parties	987,194	(938,597)
Inventories	18,396,103	(32,457,277)
Other financial assets	(10,278,940)	(167,618)
Other current assets	(6,068,586)	(19,891,135)
Other noncurrent assets	(34,149,903)	(3,360,036)
Accounts payable	10,144,075	16,410,584
Payables to related parties	8,375,310	20,011
Salary and bonus payable	11,527,299	9,685,669
Accrued profit sharing bonus to employees and compensation to directors	32,577,110	19,877,641
Accrued expenses and other current liabilities	(159,167,274)	115,859,695
Other noncurrent liabilities	3,518,593	10,344,601
Net defined benefit liability	(2,261,642)	(1,532,202)
Cash generated from operations	<u>2,418,460,649</u>	<u>2,000,821,453</u>
Income taxes paid	<u>(264,129,528)</u>	<u>(181,322,787)</u>
Net cash generated by operating activities	<u>2,154,331,121</u>	<u>1,819,498,666</u>

(Continued)

# Taiwan Semiconductor Manufacturing Company Limited

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	2025	2024
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of:		
Financial assets at amortized cost	\$ (5,998,859)	\$ (44,368,311)
Hedging financial instruments	(631,620)	-
Investments accounted for using equity method	-	(3,738,753)
Property, plant and equipment	(1,045,509,843)	(644,734,446)
Intangible assets	(9,877,172)	(8,053,430)
Proceeds from disposal or redemption of:		
Financial assets at amortized cost	20,340,000	48,840,000
Property, plant and equipment	2,651,999	1,634,456
Intangible assets	-	8,323
Derecognition of derivative financial instruments	(5,544,918)	-
Derecognition of hedging financial instruments	600,590	-
Interest received	28,334,951	26,599,749
Other dividends received	215,960	199,890
Dividends received from investments accounted for using equity method	4,134,651	5,097,471
Refundable deposits paid	(403,543)	(312,809)
Refundable deposits refunded	216,207	278,903
	<u>(1,011,471,597)</u>	<u>(618,548,957)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in hedging financial liabilities - bank loans	335,106	(26,496,570)
Proceeds from issuance of bonds	86,900,000	34,300,000
Repayment of bonds	(24,400,000)	(7,000,000)
Payments for transaction costs attributable to the issuance of bonds	(90,308)	(35,681)
Treasury stock acquired	-	(3,089,177)
Repayment of the principal portion of lease liabilities	(2,932,532)	(2,257,534)
Interest paid	(6,409,298)	(5,864,077)
Guarantee deposits received	3,000	4,677
Guarantee deposits refunded	(47,731)	(93,242)
Cash dividends	(466,779,199)	(363,055,226)
Disposal of ownership interests in subsidiaries (without losing control)	-	1,021
Payment of partial acquisition of interests in subsidiaries	(688,946,487)	(528,037,569)
Proceeds from partial disposal of interests in subsidiaries	308,227	946,001
Donation from shareholders	26,574	8,752
	<u>(1,102,032,648)</u>	<u>(900,668,625)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>(8,852,943)</u>	<u>16,076,703</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	31,973,933	316,357,787
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>1,035,061,499</u>	<u>718,703,712</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,067,035,432</u>	<u>\$ 1,035,061,499</u>

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

## Taiwan Semiconductor Manufacturing Company Limited

## 2025 Earnings Distribution Table

Unit: NT\$

<b>Net Income of 2025</b>	<b>1,717,882,627,367</b>
<b>Less:</b>	
- Special Reserve	-16,199,410,402
<b>Earnings in 2025 Available for Distribution</b>	<b>1,701,683,216,965</b>
<b>Plus:</b>	
- Unappropriated Retained Earnings of Previous Years	3,489,407,823,366
- Disposal of Investments in Equity Instruments at Fair Value through Other Comprehensive Income	541,198,650
- Adjustment for Restricted Stock Awards	4,006,341
<b>Less:</b>	
- Remeasurement of Defined Benefit Obligation	-559,857,424
<b>Retained Earnings Available for Distribution as of December 31, 2025</b>	<b>5,191,076,387,898</b>
<b>Distribution Item</b> <sup>Note 1:</sup>	
- 1Q25 Cash Dividends to Common Share Holders (NT\$5.00001754 per share <sup>Note 2</sup> )	-129,663,077,605
- 2Q25 Cash Dividends to Common Share Holders (NT\$5.00001118 per share <sup>Note 2</sup> )	-129,662,912,605
- 3Q25 Cash Dividends to Common Share Holders (NT\$6.00003573 per share <sup>Note 2</sup> )	-155,595,147,126
- 4Q25 Cash Dividends to Common Share Holders (NT\$6.0 per share <sup>Note 3</sup> )	-155,595,147,126
<b>Unappropriated Retained Earnings</b>	<b>4,620,560,103,436</b>

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**

<b>BEFORE THE REVISION</b>	<b>AFTER THE REVISION</b>
<p><b>Article 19</b></p> <p>The Corporation shall have seven to ten Directors. The Board of Directors is authorized to determine the number of Directors.</p> <p>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.</p>	<p><b>Article 19</b></p> <p>The Corporation shall have <del>seven</del><u>nine</u> to <del>ten</del><u>twelve</u> Directors. The Board of Directors is authorized to determine the number of Directors.</p> <p>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.</p>
<p><b>Article 36</b></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,</p>	<p><b>Article 36</b></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,</p>

<b>BEFORE THE REVISION</b>	<b>AFTER THE REVISION</b>
<p>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, the twenty-seventh Amendment on June 4, 2024, and the twenty-eighth Amendment on June 3, 2025.</p>	<p>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, the twenty-seventh Amendment on June 4, 2024, <del>and</del> the twenty-eighth Amendment on June 3, 2025, <u>and the twenty-ninth Amendment on June 4, 2026.</u></p>

**Comparison Table for the  
Procedures for Acquisition or Disposal of Assets  
Before and After Revision**

BEFORE THE REVISION	AFTER THE REVISION
<p><b>Article 4</b></p> <p>The Company shall report and publicly disclose the following acquisition or disposal of assets in accordance with the relevant regulations within two days commencing immediately from the Date of the Event:</p> <ol style="list-style-type: none"> <li>1. the acquisition or disposal of real estate or related right-of-use assets from or to a related party, or acquisition or disposal of assets other than real estate or related right-of-use assets from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million; provided, this shall not apply to buying or selling of domestic government bonds or bonds under repurchase and resale agreements, nor to subscription or redemption of money market funds issued by domestic securities investment trusts;</li> <li>2. mergers, spin-offs, acquisitions or shares transfer;</li> <li>3. the acquisition or disposal of other assets where the transaction amount reaches 20% of the Company's paid-in capital or exceeds NT\$300 million.</li> </ol>	<p><b>Article 4</b></p> <p><u>Where any acquisition or disposal of assets provided in Article 31 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" occurs (as enumerated below), <del>The</del>the Company shall report and publicly disclose the <del>following—acquisition or disposal of assets</del>same in accordance with the relevant regulations within two days commencing immediately from the Date of the Event; <u>provided that, any subsequent revisions in such regulations shall be applied as revised:</u></u></p> <ol style="list-style-type: none"> <li>1. the acquisition or disposal of real estate or related right-of-use assets from or to a related party, or acquisition or disposal of assets other than real estate or related right-of-use assets from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million; provided, this shall not apply to buying or selling of domestic government bonds or bonds under repurchase and resale agreements, nor to subscription or redemption of money market funds issued by domestic securities investment trusts;</li> <li>2. mergers, spin-offs, acquisitions or shares transfer;</li> <li>3. the acquisition or disposal of other assets where the transaction amount</li> </ol>

BEFORE THE REVISION	AFTER THE REVISION
<p>The following situations shall not be subject to the above reporting/disclosure requirements:</p> <ol style="list-style-type: none"> <li>1. buying or selling domestic government bonds or foreign government bonds with credit ratings not lower than R.O.C. sovereign credit rating;</li> <li>2. buying or selling bonds under repurchase and resale agreements, or subscribing or redeeming money market funds issued by domestic securities investment trusts;</li> <li>3. acquisition or disposal of equipment or related right-of-use assets for business use with non-related parties in an amount not exceeding NT\$1 billion;</li> <li>4. acquisition of real estate by way of contracting third parties to construct on land owned or leased by the Company, distribution of building under joint construction project, distribution of profit under joint construction project, or selling building under joint construction project with non-related parties, and the amount of transaction not exceeding NT\$ 500 million (based on the amount the Company intends to contribute).</li> </ol>	<p>reaches 20% of the Company's paid-in capital or exceeds NT\$300 million.</p> <p>The following situations shall not be subject to the above reporting/disclosure requirements:</p> <ol style="list-style-type: none"> <li>1. buying or selling domestic government bonds or foreign government bonds with credit ratings not lower than R.O.C. sovereign credit rating;</li> <li>2. buying or selling bonds under repurchase and resale agreements, or subscribing or redeeming money market funds issued by domestic securities investment trusts;</li> <li>3. acquisition or disposal of equipment or related right-of-use assets for business use with non-related parties in an amount not exceeding <del>NT\$1 billion</del><u>5% of the Company's paid-in capital</u>;</li> <li>4. <u>buying or selling government bonds, corporate bonds, or bank debentures without equity features (excluding subordinated debt) traded on securities exchanges or OTC markets, where the transaction counterparties are non-related parties, in an amount not exceeding 5% of the Company's paid-in capital</u>;</li> <li>5. acquisition of real estate by way of contracting third parties to construct on land owned or leased by the Company, distribution of building under joint construction project, distribution of profit under joint construction project, or selling building under joint construction project with non-related parties, and the amount of transaction not exceeding NT\$ 500 million (based on the amount the Company intends to contribute).</li> </ol>

BEFORE THE REVISION	AFTER THE REVISION
<p>The “transaction amount” referred to above shall be calculated as follows:</p> <ol style="list-style-type: none"> <li>1. the amount of each single transaction for acquisition or disposal of assets;</li> <li>2. the cumulative amount of several transactions with the same party for the acquisition or disposal of the same kind of assets within one year;</li> <li>3. the cumulative amount for acquisition or disposal (acquisition and disposal shall be accumulated separately) of real estate or related right-of-use assets under the same development project within one year; or</li> <li>4. the cumulative amount for acquisition or disposal (acquisition and disposal shall be accumulated separately) of the same security within one year.</li> </ol> <p>“Within one year” as used in the preceding paragraph refers to one year preceding the Date of the Event of the subject acquisition or disposal of assets. Transactions that have been previously disclosed in accordance with the Procedures shall be excluded.</p>	<p>The “transaction amount” referred to above shall be calculated as follows:</p> <ol style="list-style-type: none"> <li>1. the amount of each single transaction for acquisition or disposal of assets;</li> <li>2. the cumulative amount of several transactions with the same party for the acquisition or disposal of the same kind of assets within one year;</li> <li>3. the cumulative amount for acquisition or disposal (acquisition and disposal shall be accumulated separately) of real estate or related right-of-use assets under the same development project within one year; or</li> <li>4. the cumulative amount for acquisition or disposal (acquisition and disposal shall be accumulated separately) of the same security within one year.</li> </ol> <p>“Within one year” as used in the preceding paragraph refers to one year preceding the Date of the Event of the subject acquisition or disposal of assets. Transactions that have been previously disclosed in accordance with the Procedures shall be excluded.</p>
<p><b>Article 7</b></p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of assets by the Company’s Subsidiaries shall follow the procedures of Article 6 hereof.</li> <li>2. If the acquisition or disposal of assets by the Company’s Subsidiaries reaches the reporting standard specified in Article 4 hereof and such Subsidiary is not a domestic public company, the Company shall disclose and report same for such Subsidiary. The same shall apply if there is any change or supplementation to the</li> </ol>	<p><b>Article 7</b></p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of assets by the Company’s Subsidiaries shall follow the procedures of Article 6 hereof.</li> <li>2. If the acquisition or disposal of assets by the Company’s Subsidiaries reaches the reporting standard specified in <a href="#">Article 31 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”</a> or Article 4 hereof and such Subsidiary is not a domestic public company, the Company shall</li> </ol>

<b>BEFORE THE REVISION</b>	<b>AFTER THE REVISION</b>
<p>originally publicly disclosed and reported information.</p> <p>3. The Company shall supervise its Subsidiaries to establish relevant procedures for acquisition or disposal of assets. Such procedures shall be approved by the Subsidiaries' Audit Committee and/or Boards of Directors and/or Shareholders' Meetings. Information relating to any acquisition or disposal of assets by the Subsidiaries shall be provided periodically to the Company for examination and audit.</p>	<p>disclose and report same for such Subsidiary. The same shall apply if there is any change or supplementation to the originally publicly disclosed and reported information.</p> <p>3. The Company shall supervise its Subsidiaries to establish relevant procedures for acquisition or disposal of assets. Such procedures shall be approved by the Subsidiaries' Audit Committee and/or Boards of Directors and/or Shareholders' Meetings. Information relating to any acquisition or disposal of assets by the Subsidiaries shall be provided periodically to the Company for examination and audit.</p>