



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Balance Sheet

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

ASSETS	December 31, 2022 (Unaudited)			September 30, 2022 (Unaudited)		December 31, 2021 (Audited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Current Assets											
Cash and Cash Equivalents	\$ 43,721	\$ 1,342,814	27.0	\$ 1,296,013	27.9	\$ 1,064,990	28.6	\$ 46,801	3.6	\$ 277,824	26.1
Investments in Marketable Financial Instruments	7,120	218,672	4.4	202,861	4.4	123,465	3.3	15,811	7.8	95,207	77.1
Accounts Receivable	7,532	231,340	4.7	261,538	5.6	198,302	5.3	(30,198)	(11.5)	33,038	16.7
Inventories	7,201	221,149	4.4	218,336	4.7	193,102	5.2	2,813	1.3	28,047	14.5
Other Current Assets	1,267	38,922	0.8	35,484	0.8	27,214	0.7	3,438	9.7	11,708	43.0
Total Current Assets	66,841	2,052,897	41.3	2,014,232	43.4	1,607,073	43.1	38,665	1.9	445,824	27.7
Non-current Assets											
Long-term Investments	2,245	68,928	1.4	75,796	1.6	29,384	0.8	(6,868)	(9.1)	39,544	134.6
Property, Plant and Equipment	87,710	2,693,837	54.3	2,411,490	51.9	1,975,119	53.0	282,347	11.7	718,718	36.4
Right-of-use, Intangible and Other Non-current Assets	4,855	149,117	3.0	141,784	3.1	113,927	3.1	7,333	5.2	35,190	30.9
Total Non-current Assets	94,810	2,911,882	58.7	2,629,070	56.6	2,118,430	56.9	282,812	10.8	793,452	37.5
Total Assets	\$ 161,651	\$ 4,964,779	100.0	\$ 4,643,302	100.0	\$ 3,725,503	100.0	\$ 321,477	6.9	\$ 1,239,276	33.3
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-term Loans	\$ -	\$ -	-	\$ -	-	\$ 114,921	3.1	\$ -	-	\$ (114,921)	(100.0)
Accounts Payable	1,840	56,522	1.1	62,018	1.3	48,723	1.3	(5,496)	(8.9)	7,799	16.0
Payables to Contractors and Equipment Suppliers	6,952	213,500	4.3	159,780	3.5	145,742	3.9	53,720	33.6	67,758	46.5
Cash Dividends Payable	4,644	142,617	2.9	142,617	3.1	142,617	3.8	-	-	-	-
Accrued Expenses and Other Current Liabilities	16,679	512,274	10.3	419,589	9.0	282,933	7.6	92,685	22.1	229,341	81.1
Current Portion of Bonds Payable and Bank Loans	629	19,314	0.4	23,427	0.5	4,567	0.1	(4,113)	(17.6)	14,747	322.9
Total Current Liabilities	30,744	944,227	19.0	807,431	17.4	739,503	19.8	136,796	16.9	204,724	27.7
Non-current Liabilities											
Bonds Payable	27,166	834,336	16.8	842,387	18.1	610,071	16.4	(8,051)	(1.0)	224,265	36.8
Other Non-current Liabilities	7,349	225,727	4.6	241,168	5.2	205,196	5.5	(15,441)	(6.4)	20,531	10.0
Total Non-current Liabilities	34,515	1,060,063	21.4	1,083,555	23.3	815,267	21.9	(23,492)	(2.2)	244,796	30.0
Total Liabilities	65,259	2,004,290	40.4	1,890,986	40.7	1,554,770	41.7	113,304	6.0	449,520	28.9
Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	8,443	259,304	5.2	259,304	5.6	259,304	7.0	-	-	-	-
Capital Surplus	2,257	69,330	1.4	69,316	1.5	64,762	1.7	14	-	4,568	7.1
Legal Capital Reserve	10,131	311,147	6.3	311,147	6.7	311,147	8.4	-	-	-	-
Special Capital Reserve	103	3,154	-	35,065	0.8	59,304	1.6	(31,911)	(91.0)	(56,150)	(94.7)
Unappropriated Earnings	75,643	2,323,224	46.8	2,066,562	44.5	1,536,378	41.2	256,662	12.4	786,846	51.2
Others	(668)	(20,506)	(0.4)	(3,420)	(0.1)	(62,609)	(1.7)	(17,086)	(499.6)	42,103	67.2
Equity Attributable to Shareholders of the Parent	95,909	2,945,653	59.3	2,737,974	59.0	2,168,286	58.2	207,679	7.6	777,367	35.9
Noncontrolling Interests	483	14,836	0.3	14,342	0.3	2,447	0.1	494	3.4	12,389	506.3
Total Shareholders' Equity	96,392	2,960,489	59.6	2,752,316	59.3	2,170,733	58.3	208,173	7.6	789,756	36.4
Total Liabilities & Shareholders' Equity	\$ 161,651	\$ 4,964,779	100.0	\$ 4,643,302	100.0	\$ 3,725,503	100.0	\$ 321,477	6.9	\$ 1,239,276	33.3

Note :
(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$30.713 as of December 31, 2022.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income (Unaudited)

For the Three Months Ended December 31, 2022, September 30, 2022, December 31, 2021

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

Except for Per Share Amounts and Shares Outstanding)

	4Q 2022			3Q 2022		4Q 2021		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 19,931	\$ 625,532	100.0	\$ 613,142	100.0	\$ 438,189	100.0	\$ 12,390	2.0	\$ 187,343	42.8
Cost of Revenue	(7,531)	(236,347)	(37.8)	(242,643)	(39.6)	(207,434)	(47.3)	6,296	(2.6)	(28,913)	13.9
Gross Profit	12,400	389,185	62.2	370,499	60.4	230,755	52.7	18,686	5.0	158,430	68.7
Operating Expenses											
Research and Development Expenses	(1,421)	(44,587)	(7.1)	(42,977)	(7.0)	(32,239)	(7.4)	(1,610)	3.7	(12,348)	38.3
Sales, General and Administrative Expenses	(635)	(19,949)	(3.2)	(17,209)	(2.8)	(15,639)	(3.6)	(2,740)	15.9	(4,310)	27.6
Total Operating Expenses	(2,056)	(64,536)	(10.3)	(60,186)	(9.8)	(47,878)	(11.0)	(4,350)	7.2	(16,658)	34.8
Other Operating Income and Expenses	13	392	0.1	11	-	(105)	-	381	3,463.6	497	NM
Income from Operations	10,357	325,041	52.0	310,324	50.6	182,772	41.7	14,717	4.7	142,269	77.8
Non-operating Income and Expenses											
Share of Profits of Associates	55	1,738	0.3	2,078	0.4	1,651	0.4	(340)	(16.4)	87	5.3
Net Interest Income (Expenses)	231	7,252	1.1	3,245	0.5	(712)	(0.2)	4,007	123.5	7,964	NM
Other Gains and Losses	20	639	0.1	1,044	0.2	1,108	0.3	(405)	(38.8)	(469)	(42.3)
Total Non-operating Income and Expenses	306	9,629	1.5	6,367	1.1	2,047	0.5	3,262	51.2	7,582	370.4
Income Before Income Tax	10,663	334,670	53.5	316,691	51.7	184,819	42.2	17,979	5.7	149,851	81.1
Income Tax Expenses	(1,236)	(38,791)	(6.2)	(35,723)	(5.9)	(18,446)	(4.2)	(3,068)	8.6	(20,345)	110.3
Net Income	9,427	295,879	47.3	280,968	45.8	166,373	38.0	14,911	5.3	129,506	77.8
Other Comprehensive Income (Losses)	(525)	(16,482)	(2.6)	32,122	5.3	(2,677)	(0.6)	(48,604)	(151.3)	(13,805)	(515.7)
Comprehensive Income	\$ 8,902	\$ 279,397	44.7	\$ 313,090	51.1	\$ 163,696	37.4	\$ (33,693)	(10.8)	\$ 115,701	70.7
Net Income (Losses) Attributable to:											
Shareholders of the Parent	\$ 9,428	\$ 295,904	47.3	\$ 280,866	45.8	\$ 166,232	37.9	\$ 15,038	5.4	\$ 129,672	78.0
Noncontrolling Interests	(1)	(25)	-	102	-	141	0.1	(127)	(124.5)	(166)	(117.7)
	\$ 9,427	\$ 295,879	47.3	\$ 280,968	45.8	\$ 166,373	38.0	\$ 14,911	5.3	\$ 129,506	77.8
Earnings per Share - Diluted	\$ 0.36	\$ 11.41		\$ 10.83		\$ 6.41		\$ 0.58	5.4	\$ 5.00	78.0
Earnings per ADR - Diluted ⁽²⁾	\$ 1.82	\$ 57.06		\$ 54.16		\$ 32.05		\$ 2.90	5.4	\$ 25.01	78.0
Weighted Average Outstanding Shares - Diluted ('M)		25,929		25,929		25,930					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$31.385 for the fourth quarter of 2022.

(2) 1 ADR equals 5 ordinary shares.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income

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

Except for Per Share Amounts and Shares Outstanding)

	For the Years Ended December 31						
	2022 (Unaudited)			2021 (Audited)		YoY	
	USD	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 75,881	\$ 2,263,891	100.0	\$ 1,587,415	100.0	\$ 676,476	42.6
Cost of Revenue	(30,687)	(915,536)	(40.4)	(767,878)	(48.4)	(147,658)	19.2
Gross Profit	45,194	1,348,355	59.6	819,537	51.6	528,818	64.5
Operating Expenses							
Research and Development Expenses	(5,472)	(163,262)	(7.2)	(124,735)	(7.9)	(38,527)	30.9
Sales, General and Administrative Expenses	(2,127)	(63,446)	(2.8)	(44,488)	(2.8)	(18,958)	42.6
Total Operating Expenses	(7,599)	(226,708)	(10.0)	(169,223)	(10.7)	(57,485)	34.0
Other Operating Income and Expenses	(12)	(368)	(0.1)	(333)	-	(35)	(10.5)
Income from Operations	37,583	1,121,279	49.5	649,981	40.9	471,298	72.5
Non-operating Income and Expenses							
Share of Profits of Associates	261	7,799	0.3	5,603	0.4	2,196	39.2
Net Interest Income (Expenses)	358	10,672	0.5	294	-	10,378	3,529.9
Other Gains and Losses	149	4,441	0.2	7,248	0.5	(2,807)	(38.7)
Total Non-operating Income and Expenses	768	22,912	1.0	13,145	0.9	9,767	74.3
Income before Income Tax	38,351	1,144,191	50.5	663,126	41.8	481,065	72.5
Income Tax Expenses	(4,267)	(127,290)	(5.6)	(66,053)	(4.2)	(61,237)	92.7
Net Income	34,084	1,016,901	44.9	597,073	37.6	419,828	70.3
Other Comprehensive Income (Losses)	1,422	42,430	1.9	(7,619)	(0.5)	50,049	NM
Comprehensive Income	\$ 35,506	\$ 1,059,331	46.8	\$ 589,454	37.1	\$ 469,877	79.7
Net Income Attributable to:							
Shareholders of the Parent	\$ 34,072	\$ 1,016,530	44.9	\$ 596,540	37.6	\$ 419,990	70.4
Noncontrolling interests	12	371	-	533	-	(162)	(30.4)
	\$ 34,084	\$ 1,016,901	44.9	\$ 597,073	37.6	\$ 419,828	70.3
Earnings per Share - Diluted	\$ 1.31	\$ 39.20		\$ 23.01		\$ 16.19	70.4
Earnings per ADR - Diluted ⁽²⁾	\$ 6.57	\$ 196.02		\$ 115.03		\$ 80.99	70.4
Weighted Average Outstanding Shares - Diluted ('M)		25,929		25,930			

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$29.835 for the year ended December 31, 2022.

(2) 1 ADR equals 5 ordinary shares.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Cash Flow Statements (Unaudited)

For the Year Ended December 31, 2022 and for the Three Months Ended December 31, 2022, September 30, 2022 and December 31, 2021

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

	2022		4Q 2022	3Q 2022	4Q 2021
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Income Before Income Tax	\$ 38,351	\$ 1,144,191	\$ 334,670	\$ 316,691	\$ 184,819
Depreciation & Amortization	14,656	437,254	107,582	105,345	110,663
Share of Profits of Associates	(261)	(7,799)	(1,738)	(2,078)	(1,651)
Income Taxes Paid	(2,902)	(86,561)	(87)	(26,371)	(158)
Changes in Working Capital & Others	4,140	123,514	46,456	19,111	84,527
Net Cash Generated by Operating Activities	53,984	1,610,599	486,883	412,698	378,200
Cash Flows from Investing Activities:					
Interest Received	606	18,084	8,644	5,117	1,521
Cash Dividend Received	101	3,016	6	2,479	5
Acquisitions of:					
Property, Plant and Equipment	(36,289)	(1,082,672)	(336,844)	(265,970)	(235,556)
Marketable Financial Instruments	(7,971)	(237,818)	(65,040)	(51,589)	(64,246)
Proceeds from Disposal or Redemption of:					
Property, Plant and Equipment	33	983	182	128	176
Marketable Financial Instruments	3,596	107,293	45,451	26,985	55,865
Others	7	186	5,069	(1,540)	(3,108)
Net Cash Used In Investing Activities	(39,917)	(1,190,928)	(342,532)	(284,390)	(245,343)
Cash Flows from Financing Activities:					
Decrease in Short-term Loans	(3,753)	(111,960)	-	(116,009)	(1,862)
Proceeds from Issuance of Bonds	6,646	198,293	10,199	59,651	157,465
Repayment of Bonds	(147)	(4,400)	(4,400)	-	-
Repayment of Long-term Bank Loans	(6)	(167)	(167)	-	-
Interest Paid	(410)	(12,219)	(5,721)	(1,841)	(1,139)
Cash Dividends Paid for Common Stock	(9,560)	(285,234)	(71,308)	(71,309)	(71,308)
Repurchase of Treasury Stock	(29)	(872)	-	-	-
Others	547	16,315	1,565	(898)	(873)
Net Cash Generated by (Used in) Financing Activities	(6,712)	(200,244)	(69,832)	(130,406)	82,283
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,957	58,397	(27,718)	44,922	(3,962)
Net Increase in Cash and Cash Equivalents	9,312	277,824	46,801	42,824	211,178
Cash and Cash Equivalents at Beginning of Period	35,696	1,064,990	1,296,013	1,253,189	853,812
Cash and Cash Equivalents at End of Period	\$ 45,008	\$ 1,342,814	\$ 1,342,814	\$ 1,296,013	\$ 1,064,990

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$29.835 for the year ended December 31, 2022.