TSMC Reports Second Quarter
EPS of NT$27.25

Hsinchu, Taiwan, R.O.C., July 16, 2026 -- TSMC today announced consolidated revenue of NT$1,270.38 billion, net income of NT$706.56 billion, and diluted earnings per share of NT$27.25 (US$4.31 per ADR unit) for the second quarter ended June 30, 2026.

Year-over-year, second quarter revenue increased 36.0%, while net income and diluted EPS both increased 77.4%. Compared to first quarter 2026, second quarter results represented a 12.0% increase in revenue and a 23.4% increase in net income. All figures were prepared in accordance with TIFRS on a consolidated basis.

In US dollars, second quarter revenue was $40.20 billion, which increased 33.7% year-over-year and increased 12.0% from the previous quarter.

Gross margin for the quarter was 67.7%, operating margin was 60.3%, and net profit margin was 55.6%.

In the second quarter, shipments of 2-nanometer accounted for 3% of total wafer revenue; 3-nanometer accounted for 30%; 5-nanometer accounted for 33%; and 7-nanometer accounted for 11%. Advanced technologies, defined as 7-nanometer and more advanced technologies, accounted for 77% of total wafer revenue.

Profile

TSMC pioneered the pure-play foundry business model when it was founded in 1987, and has been the world's leading dedicated semiconductor foundry ever since. The Company supports a thriving ecosystem of global customers and partners with the industry's leading process technologies and portfolio of design enablement solutions to unleash innovation for the global semiconductor industry. With global operations spanning Asia, Europe, and North America, TSMC serves as a committed corporate citizen around the world.

TSMC deployed 305 distinct process technologies, and manufactured 12,682 products for 534 customers in 2025 by providing the broadest range of advanced, specialty and advanced packaging technology services. The Company is headquartered in Hsinchu, Taiwan. For more information please visit https://www.tsmc.com.

(Management Report and Tables Follow)

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FOR IMMEDIATE RELEASE

2Q26 | **Quarterly Management Report July 16, 2026**

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Topics in This Report:

- Revenue Analysis
- Profit & Expense Analysis
- Financial Condition Review
- Cash Flow
- CapEx
- Recap of Recent Important Events & Announcements

Operating Results Review:

Summary:

(Amounts are on consolidated basis and are in NT$ billions unless otherwise noted)	2Q26	1Q26	2Q25	QoQ	YoY
EPS (NT$ per common share)	27.25	22.08	15.36	23.4%	77.4%
(US$ per ADR unit)	4.31	3.49	2.47		
Net Revenue (US$ billions)	40.20	35.90	30.07	12.0%	33.7%
Net Revenue	1,270.38	1,134.10	933.79	12.0%	36.0%
Gross Profit	860.31	751.30	547.37	14.5%	57.2%
Gross Margin	*67.7%*	*66.2%*	*58.6%*		
Operating Expenses	(98.98)	(94.01)	(84.51)	5.3%	17.1%
Other Operating Income and Expenses	5.27	1.68	0.56		
Operating Income	766.60	658.97	463.42	16.3%	65.4%
Operating Margin	*60.3%*	*58.1%*	*49.6%*		
Non-Operating Items	95.83	28.83	29.61		
Net Income Attributable to Shareholders of the Parent Company	706.56	572.48	398.27	23.4%	77.4%
Net Profit Margin	*55.6%*	*50.5%*	*42.7%*		
Wafer Shipment (kpcs 12 inch-equiv.)	4,336	4,174	3,718	3.9%	16.6%
Average Exchange Rate--USD/NTD	31.60	31.59	31.05	0.0%	1.8%

Note: Diluted weighted average outstanding shares were 25,932mn units in 2Q26

Financial Highlights:

Second Quarter 2026

- Net revenue was NT$1,270.38 billion, representing a 12.0% increase from NT$1,134.10 billion in 1Q26 and a 36.0% increase from NT$933.79 billion in 2Q25.
- Gross margin was 67.7%, 1.5 percentage points higher than 1Q26 and 9.1 percentage points higher than 2Q25.
- Operating margin was 60.3%, up 2.2 percentage points from 1Q26 and up 10.7 percentage points from 2Q25.
- Non-operating items were a gain of NT$95.83 billion, compared to a gain of NT$28.83 billion in 1Q26 and a gain of NT$29.61 billion in 2Q25. The increase was mainly due to disposal and mark-to-market gains of NT$63.20 billion on Vanguard International Semiconductor Corp. (VIS) shares.
- Net income attributable to shareholders of the parent company was NT$706.56 billion, up 23.4% from 1Q26 and up 77.4% from 2Q25. Net profit margin was 55.6% and diluted EPS was NT$27.25.

I. Revenue Analysis

Wafer Revenue by Technology	2Q26	1Q26	2Q25
2nm	3%	0%	0%
3nm	30%	25%	24%
5nm	33%	36%	36%
7nm	11%	13%	14%
16/20nm	6%	7%	7%
28nm	6%	7%	7%
40/45nm	2%	3%	3%
65nm	4%	4%	3%
90nm-0.13um	2%	2%	3%
≥0.15um	3%	3%	3%

Net Revenue by Platform	2Q26	1Q26	2Q25
High Performance Computing	66%	61%	60%
Smartphone	22%	26%	27%
Internet of Things	5%	6%	5%
Automotive	4%	4%	5%
Digital Consumer Electronics	1%	1%	1%
Others	2%	2%	2%

Net Revenue by Geography	2Q26	1Q26	2Q25
North America	78%	76%	75%
Asia Pacific	8%	9%	9%
China	6%	7%	9%
Japan	4%	4%	4%
EMEA	4%	4%	3%

Revenue Analysis:

In the second quarter, revenue increased 12.0% quarter-over-quarter, as our business was supported by strong demand for our leading-edge process technologies.

By technology, 2nm process technology contributed 3% of total wafer revenue in 2Q26, while 3nm, 5nm, and 7nm accounted for 30%, 33%, and 11% respectively. Advanced technologies (7nm and below) accounted for 77% of total wafer revenue.

By platform, HPC and Smartphone represented 66% and 22% of net revenue respectively, while IoT, Automotive, DCE, and Others each represented 5%, 4%, 1%, and 2%.

Sequentially, revenue from HPC, IoT, Automotive, DCE, and Others increased 20%, 4%, 15%, 5%, and 5% respectively. Smartphone decreased 4% from 1Q26.

From a geographic perspective, revenue from customers based in North America accounted for 78% of total net revenue in 2Q26, while revenue from Asia Pacific, China, Japan, and EMEA (Europe, Middle East, and Africa) accounted for 8%, 6%, 4%, and 4% of total net revenue respectively.

II. Profit & Expense Analysis

II - 1. Gross Profit Analysis

(In NT$ billions)	2Q26	1Q26	2Q25
Net Revenue	**1,270.38**	**1,134.10**	**933.79**
Cost of Revenue	(410.07)	(382.80)	(386.42)
Gross Profit	**860.31**	**751.30**	**547.37**
Gross Margin	**67.7%**	**66.2%**	**58.6%**

Gross Profit Analysis:

Gross margin was 67.7% in 2Q26, 1.5 percentage points higher than 1Q26, primarily due to cost improvement efforts and a higher capacity utilization rate, partially offset by margin dilution from overseas fabs.

II - 2. Operating Income Analysis			
(In NT$ billions)	2Q26	1Q26	2Q25
Total Operating Expenses	**(98.98)**	**(94.01)**	**(84.51)**
Research & Development	(73.14)	(67.76)	(61.28)
SG&A	(25.84)	(26.25)	(23.23)
Other Operating Income and Expenses	**5.27**	**1.68**	**0.56**
Operating Income	**766.60**	**658.97**	**463.42**
Operating Margin	**60.3%**	**58.1%**	**49.6%**
Total Operating Expenses as % of Net Revenue	**7.8%**	**8.3%**	**9.1%**

Operating Income Analysis:

Total operating expenses increased by NT$4.97 billion to NT$98.98 billion in 2Q26, representing 7.8% of net revenue in 2Q26, as compared to 8.3% in 1Q26, mainly due to operating leverage. Other operating income increased by NT$3.59 billion to NT$5.27 billion, mainly due to insurance claims from the April 3, 2024 earthquake. Operating margin improved 2.2 percentage points sequentially to 60.3% in 2Q26.

II - 3. Non-Operating Items			
(In NT$ billions)	2Q26	1Q26	2Q25
L-T Investments	**1.44**	**1.69**	**1.22**
Net Interest Income (Expenses)	**26.96**	**26.14**	**21.50**
Other Gains and Losses	**67.43**	**1.00**	**6.89**
Total Non-Operating Items	**95.83**	**28.83**	**29.61**

Non-Operating Items:

Total non-operating items were a gain of NT$95.83 billion in 2Q26, compared to a gain of NT$28.83 billion in 1Q26. The increase was mainly due to disposal and mark-to-market gains of NT$63.20 billion on Vanguard International Semiconductor Corp. (VIS) shares.

II - 4. Net Profit and EPS			
(In NT$ billions)	2Q26	1Q26	2Q25
Income before Tax	**862.43**	**687.80**	**493.03**
Income Tax Expenses	**(155.65)**	**(115.00)**	**(95.55)**
Effective Tax Rate	**18.1%**	**16.8%**	**19.4%**
Net Income Attributable to the Parent Company	**706.56**	**572.48**	**398.27**
Net Profit Margin	**55.6%**	**50.5%**	**42.7%**
EPS (NT$ per common share)	**27.25**	**22.08**	**15.36**

Net Profit and EPS:

Net income attributable to shareholders of the parent company was NT$706.56 billion in 2Q26, up 23.4% from 1Q26 and up 77.4% from 2Q25. The higher income tax expenses during the second quarter mainly reflected the tax on undistributed retained earnings.

III. Financial Condition Review

III - 1. Liquidity Analysis (Balance Sheet Items)

(In NT$ billions)	2Q26	1Q26	2Q25
Cash & Marketable Securities	3,518.01	3,383.60	2,634.43
Accounts Receivable	440.92	363.01	235.69
Inventories	385.53	311.45	304.19
Other Current Assets	221.24	207.45	90.61
Total Current Assets	**4,565.70**	**4,265.51**	**3,264.92**
Accounts Payable	401.48	343.78	246.19
Current Portion of Bonds Payable and Bank Loans	167.41	156.24	94.21
Dividends Payable	337.43	311.19	246.67
Accrued Liabilities and Others	951.44	903.04	790.24
Total Current Liabilities	**1,857.76**	**1,714.25**	**1,377.31**
Current Ratio (x)	2.5	2.5	2.4
Net Working Capital	**2,707.94**	**2,551.26**	**1,887.61**

Liquidity Analysis:

On a sequential basis, total current assets increased by NT$300.19 billion, mainly due to the increases of NT$134.41 billion in cash and marketable securities, NT$77.91 billion in accounts receivable, and NT$74.08 billion in inventories.

Total current liabilities increased by NT$143.51 billion, mainly due to the increases of NT$57.70 billion in accounts payable and NT$48.40 billion in accrued liabilities and others.

Net working capital was NT$2,707.94 billion and current ratio was 2.5x in 2Q26.

III - 2. Receivable/Inventory Days

(In Number of Days)	2Q26	1Q26	2Q25
Days of Receivable	29	26	23
Days of Inventory	87	80	76

Receivable and Inventory Days:

Days of receivable increased 3 days to 29 days in 2Q26.

Days of inventory increased 7 days to 87 days in 2Q26, primarily due to N2 ramp.

III - 3. Debt Service

(In NT$ billions)	2Q26	1Q26	2Q25
Cash & Marketable Securities	3,518.01	3,383.60	2,634.43
Interest-Bearing Debts	(1,031.68)	(1,057.26)	(977.89)
Net Cash Reserves	**2,486.33**	**2,326.34**	**1,656.54**

Debt Service:

Net cash reserves increased by NT$159.99 billion to NT$2,486.33 billion in 2Q26, mainly due to the increase of NT$134.41 billion in cash and marketable securities in 2Q26.

IV. Cash Flow

IV - 1. Quarterly Cash Flow Analysis

(In NT$ billions)	2Q26	1Q26	2Q25
Income before Tax	862.43	687.80	493.03
Depreciation & Amortization	198.54	165.45	188.07
Other Operating Sources/(Uses)	(277.61)	(154.28)	(184.03)
Net Operating Sources/(Uses)	**783.36**	**698.97**	**497.07**
Capital Expenditures	(496.00)	(350.76)	(297.22)
Marketable Financial Instruments	(36.96)	(30.32)	11.75
Other Investing Sources/(Uses)	40.15	24.23	56.98
Net Investing Sources/(Uses)	**(492.81)**	**(356.85)**	**(228.49)**
Cash Dividends	(155.59)	(129.66)	(116.70)
Bonds Payable	(31.66)	12.40	3.70
Other Financing Sources/(Uses)	2.60	(2.65)	(6.70)
Net Financing Sources/(Uses)	**(184.65)**	**(119.91)**	**(119.70)**
Exchange Rate Changes	**(7.32)**	**45.57**	**(179.16)**
Cash Position Net Changes	**98.58**	**267.78**	**(30.28)**
Ending Cash Balance	**3,134.22**	**3,035.64**	**2,364.52**

Summary of Cash Flow:

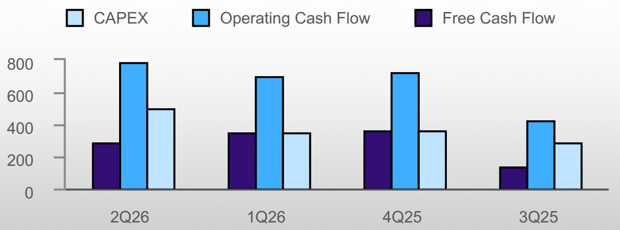
During the second quarter, net cash generated from operating activities totaled NT$783.36 billion, including (1) NT$862.43 billion from income before tax, (2) NT$198.54 billion from depreciation & amortization expenses, and (3) NT$277.61 billion for other operating uses. The other operating uses were mainly attributable to the income tax payment of NT$188.22 billion and changes in working capital of NT$87.95 billion.

Net cash used in investing activities was NT$492.81 billion in 2Q26, primarily attributable to capital expenditures of NT$496.00 billion.

Net cash used in financing activities was NT$184.65 billion, mainly reflecting the payment of 3Q25 cash dividends of NT$155.59 billion.

As a result, cash position increased by NT$98.58 billion to NT$3,134.22 billion at the end of 2Q26.

IV-2 Free Cash Flow
(in NT$ billions)



(in NT$ billions)	2Q26	1Q26	4Q25	3Q25
Free Cash Flow	287.36	348.21	368.60	139.38

Operating and Free Cash Flow:

Free cash flow decreased by NT$60.85 billion to an inflow of NT$287.36 billion in 2Q26, mainly as the increase in capital expenditures outpaced the increase in operating cash flow in 2Q26.

V. CapEx

V. Capital Expenditures

(in US$ billions)	2Q26	1Q26	YTD
Capital Expenditures	**15.70**	**11.10**	**26.80**

Capital Expenditures:

Capital expenditures for TSMC on a consolidated basis totaled US$15.70 billion in 2Q26.

VI. Recap of Recent Important Events & Announcements

- TSMC Sold 8.1% of Vanguard International Semiconductor (2026/05/15)

- TSMC Board of Directors Approved NT$7.00 Cash Dividend for the First Quarter of 2026 and Set September 16, 2026 as Ex-Dividend Date, September 22, 2026 as the Record Date and October 8, 2026 as the Distribution Date (2026/05/12)

- Sony Semiconductor Solutions and TSMC Entered Preliminary Agreement for Next-Generation Image Sensor Strategic Partnership (2026/05/08)

- TSMC Debuted A13 Technology at 2026 North America Technology Symposium (2026/04/23)

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Balance Sheet (Unaudited)

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

	June 30, 2026			March 31, 2026		June 30, 2025		QoQ		YoY	
ASSETS	USD	NTD	%	NTD	%	NTD	%	NTD	%	NTD	%
Current Assets											
Cash and Cash Equivalents	$ 98,196	$ 3,134,218	33.4	$ 3,035,637	35.0	$ 2,364,524	33.7	$ 98,581	3.2	$ 769,694	32.6
Investments in Marketable Financial Instruments	12,024	383,795	4.1	347,964	4.0	269,905	3.9	35,831	10.3	113,890	42.2
Accounts Receivable	13,814	440,923	4.7	363,005	4.2	235,685	3.4	77,918	21.5	205,238	87.1
Inventories	12,079	385,525	4.1	311,454	3.6	304,194	4.3	74,071	23.8	81,331	26.7
Other Current Assets	6,932	221,240	2.4	207,452	2.4	90,610	1.3	13,788	6.6	130,630	144.2
Total Current Assets	143,045	4,565,701	48.7	4,265,512	49.2	3,264,918	46.6	300,189	7.0	1,300,783	39.8
Non-current Assets											
Long-term Investments	7,141	227,936	2.4	166,567	1.9	137,427	2.0	61,369	36.8	90,509	65.9
Property, Plant and Equipment	134,811	4,302,880	45.9	3,954,679	45.7	3,386,206	48.3	348,201	8.8	916,674	27.1
Right-of-use, Intangible and Other Non-current Assets	8,745	279,138	3.0	274,192	3.2	217,799	3.1	4,946	1.8	61,339	28.2
Total Non-current Assets	150,697	4,809,954	51.3	4,395,438	50.8	3,741,432	53.4	414,516	9.4	1,068,522	28.6
Total Assets	$ 293,742	$ 9,375,655	100.0	$ 8,660,950	100.0	$ 7,006,350	100.0	$ 714,705	8.3	$ 2,369,305	33.8
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Accounts Payable	$ 3,466	$ 110,626	1.2	$ 99,856	1.2	$ 84,772	1.2	$ 10,770	10.8	$ 25,854	30.5
Payables to Contractors and Equipment Suppliers	9,112	290,850	3.1	243,927	2.8	161,416	2.3	46,923	19.2	129,434	80.2
Cash Dividends Payable	10,572	337,436	3.6	311,190	3.6	246,672	3.5	26,246	8.4	90,764	36.8
Accrued Expenses and Other Current Liabilities	29,809	951,440	10.1	903,039	10.4	790,240	11.3	48,401	5.4	161,200	20.4
Current Portion of Bonds Payable and Bank Loans	5,245	167,410	1.8	156,242	1.8	94,214	1.4	11,168	7.1	73,196	77.7
Total Current Liabilities	58,204	1,857,762	19.8	1,714,254	19.8	1,377,314	19.7	143,508	8.4	480,448	34.9
Non-current Liabilities											
Bonds Payable	25,535	815,037	8.7	860,026	9.9	848,535	12.1	(44,989)	(5.2)	(33,498)	(3.9)
Other Non-current Liabilities	7,156	228,385	2.4	154,281	1.8	163,869	2.3	74,104	48.0	64,516	39.4
Total Non-current Liabilities	32,691	1,043,422	11.1	1,014,307	11.7	1,012,404	14.4	29,115	2.9	31,018	3.1
Total Liabilities	90,895	2,901,184	30.9	2,728,561	31.5	2,389,718	34.1	172,623	6.3	511,466	21.4
Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	8,125	259,324	2.8	259,324	3.0	259,326	3.7	-	-	(2)	-
Capital Surplus	2,265	72,291	0.8	73,666	0.9	73,326	1.1	(1,375)	(1.9)	(1,035)	(1.4)
Legal Capital Reserve	9,748	311,147	3.3	311,147	3.6	311,147	4.4	-	-	-	-
Special Capital Reserve	-	-	-	16,199	0.1	-	-	(16,199)	(100.0)	-	-
Unappropriated Earnings	179,835	5,739,966	61.2	5,193,142	60.0	4,119,741	58.8	546,824	10.5	1,620,225	39.3
Others	1,560	49,790	0.5	37,482	0.4	(182,466)	(2.6)	12,308	32.8	232,256	NM
Equity Attributable to Shareholders of the Parent	201,533	6,432,518	68.6	5,890,960	68.0	4,581,074	65.4	541,558	9.2	1,851,444	40.4
Noncontrolling Interests	1,314	41,953	0.5	41,429	0.5	35,558	0.5	524	1.3	6,395	18.0
Total Shareholders' Equity	202,847	6,474,471	69.1	5,932,389	68.5	4,616,632	65.9	542,082	9.1	1,857,839	40.2
Total Liabilities & Shareholders' Equity	$ 293,742	$ 9,375,655	100.0	$ 8,660,950	100.0	$ 7,006,350	100.0	$ 714,705	8.3	$ 2,369,305	33.8

Note :

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT$31.918 as of June 30, 2026.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income (Unaudited)

For the Three Months Ended June 30, 2026, March 31, 2026 and June 30, 2025

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

Except for Per Share Amounts and Shares Outstanding)

	2Q 2026			1Q 2026		2Q 2025		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	NTD	%	NTD	%
Net Revenue	$ 40,201	$ 1,270,381	100.0	$ 1,134,103	100.0	$ 933,792	100.0	$ 136,278	12.0	$ 336,589	36.0
Cost of Revenue	(12,977)	(410,070)	(32.3)	(382,808)	(33.8)	(386,423)	(41.4)	(27,262)	7.1	(23,647)	6.1
Gross Profit	27,224	860,311	67.7	751,295	66.2	547,369	58.6	109,016	14.5	312,942	57.2
Operating Expenses											
Research and Development Expenses	(2,315)	(73,146)	(5.8)	(67,757)	(6.0)	(61,280)	(6.6)	(5,389)	8.0	(11,866)	19.4
Sales, General and Administrative Expenses	(817)	(25,836)	(2.0)	(26,249)	(2.3)	(23,228)	(2.5)	413	(1.6)	(2,608)	11.2
Total Operating Expenses	(3,132)	(98,982)	(7.8)	(94,006)	(8.3)	(84,508)	(9.1)	(4,976)	5.3	(14,474)	17.1
Other Operating Income and Expenses	167	5,274	0.4	1,677	0.2	562	0.1	3,597	214.5	4,712	838.4
Income from Operations	24,259	766,603	60.3	658,966	58.1	463,423	49.6	107,637	16.3	303,180	65.4
Non-operating Income and Expenses											
Share of Profits of Associates	46	1,438	0.1	1,685	0.1	1,222	0.1	(247)	(14.7)	216	17.7
Net Interest Income (Expenses)	853	26,959	2.2	26,146	2.3	21,501	2.3	813	3.1	5,458	25.4
Other Gains and Losses	2,133	67,430	5.3	1,003	0.1	6,890	0.8	66,427	6,622.8	60,540	878.7
Total Non-operating Income and Expenses	3,032	95,827	7.6	28,834	2.5	29,613	3.2	66,993	232.3	66,214	223.6
Income Before Income Tax	27,291	862,430	67.9	687,800	60.6	493,036	52.8	174,630	25.4	369,394	74.9
Income Tax Expenses	(4,925)	(155,649)	(12.3)	(114,999)	(10.1)	(95,543)	(10.2)	(40,650)	35.3	(60,106)	62.9
Net Income	22,366	706,781	55.6	572,801	50.5	397,493	42.6	133,980	23.4	309,288	77.8
Other Comprehensive Income (Losses)	547	17,286	1.4	53,996	4.8	(254,502)	(27.3)	(36,710)	(68.0)	271,788	NM
Comprehensive Income	$ 22,913	$ 724,067	57.0	$ 626,797	55.3	$ 142,991	15.3	$ 97,270	15.5	$ 581,076	406.4
Net Income (Losses) Attributable to:											
Shareholders of the Parent	$ 22,359	$ 706,562	55.6	$ 572,480	50.5	$ 398,273	42.7	$ 134,082	23.4	$ 308,289	77.4
Noncontrolling Interests	7	219	-	321	-	(780)	(0.1)	(102)	(31.8)	999	NM
	$ 22,366	$ 706,781	55.6	$ 572,801	50.5	$ 397,493	42.6	$ 133,980	23.4	$ 309,288	77.8
Earnings per Share - Diluted	$ 0.86	$ 27.25		$ 22.08		$ 15.36		$ 5.17	23.4	$ 11.89	77.4
Earnings per ADR - Diluted (2)	$ 4.31	$ 136.23		$ 110.38		$ 76.80		$ 25.85	23.4	$ 59.43	77.4
Weighted Average Outstanding Shares - Diluted ('M)		25,932		25,931		25,929					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT$31.601 for the second quarter of 2026.

(2) 1 ADR equals 5 ordinary shares.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES
Consolidated Condensed Statements of Comprehensive Income (Unaudited)
(Expressed in Millions of New Taiwan Dollars ("NTD") and U.S. Dollars ("USD") (1)
Except for Per Share Amounts and Shares Outstanding)

	For the Six Months Ended June 30						
	2026			2025		YoY	
	USD	NTD	%	NTD	%	NTD	%
Net Revenue	$ 76,099	$ 2,404,484	100.0	$ 1,773,046	100.0	$ 631,438	35.6
Cost of Revenue	(25,094)	(792,878)	(33.0)	(732,282)	(41.3)	(60,596)	8.3
Gross Profit	51,005	1,611,606	67.0	1,040,764	58.7	570,842	54.8
Operating Expenses							
Research and Development Expenses	(4,459)	(140,903)	(5.8)	(117,827)	(6.7)	(23,076)	19.6
Sales, General and Administrative Expenses	(1,649)	(52,085)	(2.2)	(51,867)	(2.9)	(218)	0.4
Total Operating Expenses	(6,108)	(192,988)	(8.0)	(169,694)	(9.6)	(23,294)	13.7
Other Operating Income and Expenses	220	6,951	0.3	(566)	-	7,517	NM
Income from Operations	45,117	1,425,569	59.3	870,504	49.1	555,065	63.8
Non-operating Income and Expenses							
Share of Profits of Associates	99	3,123	0.1	2,590	0.1	533	20.6
Net Interest Income (Expenses)	1,681	53,105	2.2	43,683	2.5	9,422	21.6
Other Gains and Losses	2,166	68,433	2.9	7,154	0.4	61,279	856.6
Total Non-operating Income and Expenses	3,946	124,661	5.2	53,427	3.0	71,234	133.3
Income before Income Tax	49,063	1,550,230	64.5	923,931	52.1	626,299	67.8
Income Tax Expenses	(8,566)	(270,648)	(11.3)	(165,705)	(9.3)	(104,943)	63.3
Net Income	40,497	1,279,582	53.2	758,226	42.8	521,356	68.8
Other Comprehensive Income (Losses)	2,256	71,282	3.0	(222,605)	(12.6)	293,887	NM
Comprehensive Income	$ 42,753	$ 1,350,864	56.2	$ 535,621	30.2	$ 815,243	152.2
Net Income (Losses) Attributable to:							
Shareholders of the Parent	$ 40,480	$ 1,279,042	53.2	$ 759,837	42.9	$ 519,205	68.3
Noncontrolling interests	17	540	-	(1,611)	(0.1)	2,151	NM
	$ 40,497	$ 1,279,582	53.2	$ 758,226	42.8	$ 521,356	68.8
Earnings per Share - Diluted	$ 1.56	$ 49.32		$ 29.30		$ 20.02	68.3
Earnings per ADR - Diluted (2)	$ 7.81	$ 246.62		$ 146.52		$ 100.10	68.3
Weighted Average Outstanding Shares - Diluted ('M)		25,932		25,929			

Note:
(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT$31.597 for the six months ended June 30, 2026.
(2) 1 ADR equals 5 ordinary shares.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Cash Flow Statements(Unaudited)

For the Six Months Ended June 30, 2026 and for the Three Months Ended June 30, 2026, March 31, 2026 and June 30, 2025

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

	Six Months 2026		2Q 2026	1Q 2026	2Q 2025
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Income Before Income Tax	$ 49,063	$ 1,550,230	$ 862,430	$ 687,800	$ 493,036
Depreciation & Amortization	11,519	363,988	198,538	165,450	188,058
Share of Profits of Associates	(99)	(3,123)	(1,438)	(1,685)	(1,222)
Income Taxes Paid	(6,004)	(189,720)	(188,219)	(1,501)	(127,347)
Changes in Working Capital & Others	(7,565)	(239,034)	(87,946)	(151,088)	(55,461)
Net Cash Generated by Operating Activities	46,914	1,482,341	783,365	698,976	497,064
Cash Flows from Investing Activities:					
Interest Received	1,663	52,546	25,800	26,746	26,025
Cash Dividend Received	68	2,166	1,125	1,041	1,091
Acquisitions of:					
Property, Plant and Equipment	(26,799)	(846,765)	(496,002)	(350,763)	(297,226)
Marketable Financial Instruments	(6,465)	(204,268)	(112,647)	(91,621)	(61,989)
Proceeds from Disposal or Redemption of:					
Property, Plant and Equipment	63	1,992	179	1,813	117
Marketable Financial Instruments	4,336	136,989	75,684	61,305	73,744
Others	243	7,676	13,051	(5,375)	29,749
Net Cash Used In Investing Activities	(26,891)	(849,664)	(492,810)	(356,854)	(228,489)
Cash Flows from Financing Activities:					
Increase (Decrease) in Hedging Financial Liabilities - Bank Loans	(8)	(275)	(93)	(182)	430
Proceeds from Issuance of Bonds	1,126	35,600	18,400	17,200	14,100
Repayment of Bonds	(1,736)	(54,861)	(50,061)	(4,800)	(10,400)
Proceeds from Long-term Bank Loans	378	11,950	9,930	2,020	-
Repayment of Long-term Bank Loans	(21)	(651)	(261)	(390)	(719)
Interest Paid	(313)	(9,889)	(7,142)	(2,747)	(7,223)
Cash Dividends Paid for Common Stock	(9,028)	(285,258)	(155,595)	(129,663)	(116,697)
Others	(37)	(1,180)	168	(1,348)	809
Net Cash Used In Financing Activities	(9,639)	(304,564)	(184,654)	(119,910)	(119,700)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,211	38,249	(7,320)	45,569	(179,155)
Net Increase (Decrease) in Cash and Cash Equivalents	11,595	366,362	98,581	267,781	(30,280)
Cash and Cash Equivalents at Beginning of Period	87,599	2,767,856	3,035,637	2,767,856	2,394,804
Cash and Cash Equivalents at End of Period	$ 99,194	$ 3,134,218	$ 3,134,218	$ 3,035,637	$ 2,364,524

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT$31.597 for the six months ended June 30, 2026.