

**TAIWAN SEMICONDUCTOR CO., LTD.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2025 and 2024**

Address: 11F., No. 205, Sec. 3, Beixin Rd., Xindian Dist., New
Taipei City 231, Taiwan (R.O.C.)
Telephone: (02)8913-1588

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電 話 Tel	+ 886 2 8101 6666
傳 真 Fax	+ 886 2 8101 6667
網 址 Web	kpmg.com/tw

Independent Auditors' Review Report

To the Board of Directors of TAIWAN SEMICONDUCTOR CO., LTD.:

Introduction

We have reviewed the accompanying consolidated balance sheets of TAIWAN SEMICONDUCTOR CO., LTD. (“the Company”) and its subsidiaries (“the Group”) as of September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, as well as the changes in equity and cash flows for the nine months ended September 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$5,514,321 thousand and \$2,835,998 thousand, constituting 26.98% and 15.51% of the consolidated total assets; and the total liabilities amounting to \$983,553 thousand and \$501,018 thousand, constituting 9.65% and 6.60% of the consolidated total liabilities as of September 30, 2025 and 2024, respectively; as well as total comprehensive income (loss) amounting to \$78,946 thousand, \$47,975 thousand, \$309,415 thousand and \$85,307 thousand, constituting 13.17%, 23.32%, 103.12% and 9.09% of the consolidated total comprehensive income (loss) for the nine months ended September 30, 2025 and 2024, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review report of other auditors (please refer to Other Matter paragraph), nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of certain subsidiaries of TSC Auto ID Technology Co., Ltd., (TSC Auto ID), a subsidiary of the Group. Those financial statements were reviewed by other auditors, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for TSC Auto ID, is based solely on the review report of the other auditors. The financial statements of certain subsidiaries of TSC Auto ID reflect total assets amounting to \$2,457,668 thousand, constituting 12.03% of the consolidated total assets as of September 30, 2025, respectively; and the total revenues amounting to \$938,347 thousand and \$2,809,473 thousand, constituting 21.57% and 20.71% of the consolidated total revenues for the three months and nine months ended September 30, 2025, respectively.

We did not review the financial statements of TSC Auto ID, a subsidiary of the Group. Those financial statements were reviewed by other auditors, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for TSC Auto ID, is based solely on the review report of the other auditors. The financial statements of TSC Auto ID reflect total assets amounting to \$8,588,990 thousand, constituting 46.97% of the consolidated total assets as of September 30, 2024, respectively; and the total revenues amounting to \$2,228,028 thousand and \$6,172,463 thousand, constituting 58.05% and 58.03% of the consolidated total revenues for the three months and nine months ended September 30, 2024, respectively.

The engagement partners on the reviews resulting in this independent auditors’ review report are Kuo, Yang-Lun and Hsiao, Pei-Ju.

KPMG

Taipei, Taiwan (Republic of China)
November 7, 2025

Notes to Readers

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

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2025, December 31, 2024, and September 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2025		December 31, 2024		September 30, 2024				September 30, 2025		December 31, 2024		September 30, 2024	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 3,395,405	17	3,524,621	16	2,552,966	14	2100	Short-term borrowings (note 6(j))	\$ 1,774,786	9	2,286,701	11	2,061,675	11
1110	Current financial assets at fair value through profit or loss (note 6(b))	-	-	20,132	-	102,118	1	2120	Current financial liabilities at fair value through profit or loss (note 6(b))	38,286	-	70,121	-	56,672	-
1150	Notes receivable, net (note 6(c) and (r))	56	-	12	-	62	-	2150	Notes payable	329	-	-	-	-	-
1170	Accounts receivable, net (note 6(c) and (r))	3,355,963	17	3,365,399	16	3,016,670	16	2170	Accounts payable	1,571,453	8	1,374,344	6	1,428,530	8
1200	Other receivables	86,337	-	92,526	-	90,815	-	2200	Other payables (note 6(l))	803,582	4	939,090	4	923,007	5
1220	Current tax assets	14,221	-	92,323	-	22,525	-	2230	Current tax liabilities	164,349	1	262,800	1	210,642	1
130X	Inventories (note 6(d))	3,675,504	18	3,878,007	18	3,616,645	20	2280	Lease liabilities, current (note 6(m))	120,147	1	134,573	1	107,981	1
1410	Prepayments	356,928	2	336,591	2	186,802	1	2322	Long-term borrowings, current portion (note 6(k))	330,149	2	314,125	1	165,140	1
1470	Other current assets	9,371	-	21,671	-	-	-	2399	Other current liabilities	378,245	2	366,583	2	251,529	2
1476	Other current financial assets (note 6(b))	469,810	2	401,899	2	604,176	4			5,181,326	27	5,748,337	26	5,205,176	29
		11,363,595	56	11,733,181	54	10,192,779	56	Non-Current liabilities:							
Non-current assets:								2500	Non-current financial liabilities at fair value through profit or loss (note 6(b))	28,078	-	26,784	-	21,293	-
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	101,202	-	66,152	-	39,616	-	2540	Long-term borrowings (note 6(k))	3,226,199	16	2,980,445	14	902,874	5
1600	Property, plant and equipment (note 6(f))	4,089,086	20	4,414,437	21	4,350,857	23	2570	Deferred tax liabilities	1,159,004	6	1,188,571	6	930,271	5
1755	Right-of-use assets (note 6(g))	577,983	3	701,081	4	564,824	3	2580	Lease liabilities, non-current (note 6(m))	477,077	2	568,029	3	449,778	2
1805	Goodwill (note 6(i))	1,939,813	9	2,029,444	9	1,383,251	8	2640	Net defined benefit liabilities, non-current	35,509	-	21,033	-	23,869	-
1822	Intangible assets (note 6(h))	1,031,034	5	1,148,483	6	479,962	3	2670	Other non-current liabilities	81,731	-	62,216	-	52,892	1
1840	Deferred tax assets	746,614	4	729,049	3	549,686	3			5,007,598	24	4,847,078	23	2,380,977	13
1980	Other non-current financial assets (note 6(b))	128,038	1	281,206	1	279,342	2	Total liabilities		10,188,924	51	10,595,415	49	7,586,153	42
1990	Other non-current assets	458,072	2	437,009	2	444,010	2	Stockholder' equity attributable to parent:							
		9,071,842	44	9,806,861	46	8,091,548	44	(note 6(p))							
								3110	Common stock	2,634,854	13	2,634,854	12	2,634,854	14
								3200	Capital surplus	2,282,983	11	2,252,984	11	2,252,248	12
								3300	Retained earnings	3,527,748	17	3,751,072	17	3,599,994	20
								3400	Other stockholders' equity	(528,278)	(3)	(244,678)	(1)	(204,548)	(1)
								3500	Treasury shares	(741,295)	(4)	(599,878)	(3)	(599,878)	(3)
										7,176,012	34	7,794,354	36	7,682,670	42
								Total equity attributable to owners of parent		3,070,501	15	3,150,273	15	3,015,504	16
								36XX	Non-controlling interests (note 6(e))	10,246,513	49	10,944,627	51	10,698,174	58
								Total equity		\$ 20,435,437	100	21,540,042	100	18,284,327	100
Total assets		\$ 20,435,437	100	21,540,042	100	18,284,327	100	Total liabilities and equity		\$ 20,435,437	100	21,540,042	100	18,284,327	100

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the nine months ended September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the three months ended September 30				For the nine months ended September 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4110	Total sales revenue (note 6(r))	\$ 4,522,066	104	3,963,707	103	13,988,263	103	10,978,401	104
4190	Less: Sales discounts and allowances	<u>172,063</u>	<u>4</u>	<u>125,502</u>	<u>3</u>	<u>421,978</u>	<u>3</u>	<u>390,988</u>	<u>4</u>
	Net operating revenues	4,350,003	100	3,838,205	100	13,566,285	100	10,587,413	100
5000	Cost of goods sold (note 6(d))	<u>3,033,916</u>	<u>70</u>	<u>2,770,475</u>	<u>72</u>	<u>9,622,101</u>	<u>71</u>	<u>7,518,218</u>	<u>71</u>
	Gross profit	1,316,087	30	1,067,730	28	3,944,184	29	3,069,195	29
6000	Operating expenses (notes 6(n) and (t)):								
6100	Selling expenses	482,741	11	433,508	11	1,497,511	11	1,199,490	11
6200	Administrative expenses	235,918	5	228,560	6	695,551	5	644,663	6
6300	Research and development expenses	213,716	5	113,981	3	602,783	5	322,088	3
6450	Expected credit losses (note 6(c))	<u>10,248</u>	<u>-</u>	<u>10,682</u>	<u>-</u>	<u>13,199</u>	<u>-</u>	<u>10,195</u>	<u>-</u>
		<u>942,623</u>	<u>21</u>	<u>786,731</u>	<u>20</u>	<u>2,809,044</u>	<u>21</u>	<u>2,176,436</u>	<u>20</u>
	Operating income	373,464	9	280,999	8	1,135,140	8	892,759	9
	Non-operating income and expenses (note 6(s)):								
7100	Interest income	8,959	-	10,257	-	32,915	-	30,681	-
7010	Other income	7,116	-	20,918	1	24,983	-	40,509	-
7020	Other gains and losses	83,252	2	(21,458)	(1)	(41,673)	-	61,098	1
7050	Finance costs	<u>(43,525)</u>	<u>(1)</u>	<u>(31,416)</u>	<u>(1)</u>	<u>(134,938)</u>	<u>(1)</u>	<u>(73,884)</u>	<u>(1)</u>
		<u>55,802</u>	<u>1</u>	<u>(21,699)</u>	<u>(1)</u>	<u>(118,713)</u>	<u>(1)</u>	<u>58,404</u>	<u>-</u>
	Profit before income tax	429,266	10	259,300	7	1,016,427	7	951,163	9
7950	Less: Income tax expenses (note 6(o))	<u>122,466</u>	<u>3</u>	<u>84,407</u>	<u>2</u>	<u>285,143</u>	<u>2</u>	<u>299,592</u>	<u>3</u>
	Profit	306,800	7	174,893	5	731,284	5	651,571	6
8300	Other comprehensive income:								
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	321,427	7	23,573	1	(478,723)	(4)	314,398	3
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(o))	<u>(28,755)</u>	<u>(1)</u>	<u>7,250</u>	<u>-</u>	<u>47,499</u>	<u>-</u>	<u>(27,891)</u>	<u>-</u>
8300	Other comprehensive income (after tax)	<u>292,672</u>	<u>6</u>	<u>30,823</u>	<u>1</u>	<u>(431,224)</u>	<u>(4)</u>	<u>286,507</u>	<u>3</u>
	Total comprehensive income	\$ 599,472	13	205,716	6	300,060	1	938,078	9
	Net income attributable to:								
	Owners of the parent	\$ 145,992	3	81,715	3	303,647	2	310,102	3
	Non-controlling interests (note 6(e))	<u>160,808</u>	<u>4</u>	<u>93,178</u>	<u>2</u>	<u>427,637</u>	<u>3</u>	<u>341,469</u>	<u>3</u>
		<u>\$ 306,800</u>	<u>7</u>	<u>174,893</u>	<u>5</u>	<u>731,284</u>	<u>5</u>	<u>651,571</u>	<u>6</u>
	Total comprehensive income attributable to:								
	Owners of the parent	\$ 359,407	8	130,904	4	20,047	-	525,084	5
	Non-controlling interests (note 6(e))	<u>240,065</u>	<u>5</u>	<u>74,812</u>	<u>2</u>	<u>280,013</u>	<u>1</u>	<u>412,994</u>	<u>4</u>
		<u>\$ 599,472</u>	<u>13</u>	<u>205,716</u>	<u>6</u>	<u>300,060</u>	<u>1</u>	<u>938,078</u>	<u>9</u>
	Basic earnings per common share (NT dollars) (note 6(u))	<u>\$ 0.60</u>		<u>0.33</u>		<u>1.23</u>		<u>1.25</u>	
	Diluted earnings per common share (NT dollars) (note 6(u))	<u>\$ 0.60</u>		<u>0.33</u>		<u>1.23</u>		<u>1.25</u>	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the nine months ended September 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
	Retained earnings						Exchange differences on translation of foreign financial statements	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings					
Balance at January 1, 2024	\$ 2,634,854	2,209,251	1,129,743	531,125	2,155,995	3,816,863	(419,530)	(506,043)	7,735,395	2,964,073	10,699,468
Net income	-	-	-	-	310,102	310,102	-	-	310,102	341,469	651,571
Other comprehensive income	-	-	-	-	-	-	214,982	-	214,982	71,525	286,507
Total comprehensive income	-	-	-	-	310,102	310,102	214,982	-	525,084	412,994	938,078
Subsidiaries purchase of treasury shares	-	-	-	-	-	-	-	(93,835)	(93,835)	-	(93,835)
Appropriation and distribution of retained earnings:											
Provision of legal reserve	-	-	71,521	-	(71,521)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(526,971)	(526,971)	-	-	(526,971)	-	(526,971)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	31,920	-	-	-	-	-	-	31,920	-	31,920
Changes in equity of affiliate accounted for using equity method	-	11,077	-	-	-	-	-	-	11,077	-	11,077
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(361,563)	(361,563)
Balance at September 30, 2024	\$ 2,634,854	2,252,248	1,201,264	531,125	1,867,605	3,599,994	(204,548)	(599,878)	7,682,670	3,015,504	10,698,174
Balance at January 1, 2025	\$ 2,634,854	2,252,984	1,201,264	531,125	2,018,683	3,751,072	(244,678)	(599,878)	7,794,354	3,150,273	10,944,627
Net income	-	-	-	-	303,647	303,647	-	-	303,647	427,637	731,284
Other comprehensive income	-	-	-	-	-	-	(283,600)	-	(283,600)	(147,624)	(431,224)
Total comprehensive income	-	-	-	-	303,647	303,647	(283,600)	-	20,047	280,013	300,060
Purchase of treasury shares	-	-	-	-	-	-	-	(141,417)	(141,417)	-	(141,417)
Appropriation and distribution of retained earnings:											
Provision of legal reserve	-	-	46,118	-	(46,118)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(228,976)	228,976	-	-	-	-	-	-
Cash dividends	-	-	-	-	(526,971)	(526,971)	-	-	(526,971)	-	(526,971)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	32,288	-	-	-	-	-	-	32,288	-	32,288
Changes in equity of affiliate accounted for using equity method	-	(2,289)	-	-	-	-	-	-	(2,289)	-	(2,289)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(359,785)	(359,785)
Balance at September 30, 2025	\$ 2,634,854	2,282,983	1,247,382	302,149	1,978,217	3,527,748	(528,278)	(741,295)	7,176,012	3,070,501	10,246,513

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the nine months ended September 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the nine months ended September 30	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,016,427	951,163
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	677,806	669,140
Amortization expense	161,114	83,408
Expected credit losses	13,199	10,195
Net loss on financial assets or liabilities at fair value through profit or loss	7,990	7,702
Interest expense	102,890	72,448
Interest income	(32,915)	(30,681)
Losses on disposal of property, plant and equipment	21,046	6,068
Reversal of impairment gain on non-financial assets	(1,724)	(2,050)
Others	(2,289)	11,077
Total adjustments to reconcile profit (loss)	947,117	827,307
Changes in operating assets and liabilities:		
Increases and decreases in financial assets/liabilities at fair value through profit or loss	(13,787)	(77,413)
(Increase) decrease in notes receivable	(44)	245
Increase in accounts receivable	(3,763)	(451,196)
(Increase) decrease in other receivables	6,171	(18,473)
(Increase) decrease in inventories	202,503	(265,355)
Increase in prepayments	(20,337)	(58,065)
Decrease in other current assets	12,300	-
Decrease in other financial assets	138,480	76,740
Increase in notes payable	329	-
Increase in accounts payable	197,109	71,741
Decrease in other payable	(135,716)	(12,609)
Increase (decrease) in other current liabilities	6,837	(9,921)
Increase (decrease) in net defined benefit liabilities	14,476	(15,466)
Increase in other non-current liabilities	9,637	5,927
Total adjustments	1,361,312	73,462
Cash inflow generated from operations	2,377,739	1,024,625
Interest received	32,933	30,680
Interest paid	(67,910)	(53,482)
Income taxes paid	(352,624)	(355,955)
Net cash flows from operating activities	1,990,138	645,868
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	(39,662)	(20,267)
Acquisition of property, plant and equipment	(178,014)	(149,897)
Proceeds from disposal of property, plant and equipment	9,158	1,620
Acquisition of intangible assets	(59,075)	(13,309)
Increase in other financial assets	(53,223)	(457,169)
(Increase) decrease in other non-current assets	(6,587)	65,706
Increase in prepayments for equipment	(157,279)	(347,805)
Net cash flows used in investing activities	(484,682)	(921,121)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	(511,915)	440,280
Proceeds from long-term borrowings	1,452,629	413,950
Repayments of long-term borrowings	(1,191,963)	(493,719)
Repayments of lease principals	(147,660)	(96,646)
Increase (decrease) in guarantee deposits received	(705)	81
Cash dividends paid	(494,683)	(495,051)
Repurchase of treasury shares	(141,417)	(93,835)
Change in non-controlling interests	(359,785)	(361,563)
Net cash flows used in financing activities	(1,395,499)	(686,503)
Effect of exchange rate changes on cash and cash equivalents	(239,173)	131,275
Net decrease in cash and cash equivalents	(129,216)	(830,481)
Cash and cash equivalents at the beginning of period	3,524,621	3,383,447
Cash and cash equivalents at the end of period	\$ 3,395,405	2,552,966

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2025 and 2024

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

(1) Company history

TAIWAN SEMICONDUCTOR CO., LTD. (“the Company”) was incorporated in January 1979 under the Company Act of the Republic of China. Its major business activities are the manufacture and sale of rectifiers and bar code printers. The Company’s common stock has been officially listed and traded on the GreTai Securities Market starting from February 2000.

In order to improve operating efficiency and industry competitiveness from specialization, the Company restructured its business and organization. The Company separated its bar code printer business unit from itself and transferred it to establish TSC Auto ID Technology Co., Ltd. (TSC Auto ID). The Board of Directors approved August 1, 2007, as the date of record of the split.

The Company and its subsidiaries are referred to as the Group, who engages in the manufacture and sale of rectifiers and auto identification systems, as well as product manufacturing and services.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issuance by the Board of Directors on November 7, 2025.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

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TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

- Annual Improvements to IFRS Accounting Standards—Volume 11
 - Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”
- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. 	<p>January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.</p>

(Continued)

TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
	<ul style="list-style-type: none"> Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

(4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

Name of Investor	Name of subsidiary	Principal activity	Shareholding			Instruction
			September 30, 2025	December 31, 2024	September 30, 2024	
The Company	Ever Energetic Int'l Ltd. (Ever Energetic)	Holding company and general import and export business	100.00 %	100.00 %	100.00 %	Note 3
The Company	Ever Winner Int'l Co., Ltd. (Ever Winner)	Holding company and general import and export business	100.00 %	100.00 %	100.00 %	Note 3

(Continued)

TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

Name of Investor	Name of subsidiary	Principal activity	Shareholding			Instruction
			September 30, 2025	December 31, 2024	September 30, 2024	
The Company	Skyrise Int'l Ltd. (Skyrise)	Holding company and general import and export business	100.00 %	100.00 %	100.00 %	Note 3
The Company	Taiwan Semiconductor Europe GmbH (TSCE)	General import and export business	100.00 %	100.00 %	100.00 %	Note 3
The Company	Taiwan Semiconductor Japan Ltd. (TSCJ)	Trading of rectifiers	100.00 %	100.00 %	100.00 %	-
The Company	Taiwan Semiconductor (H.K.) Co., Ltd. (TSCH)	Holding company and trading of rectifiers	25.22 %	25.22 %	25.22 %	Note 3
The Company	TSC Auto ID Technology Co., Ltd. (TSC Auto ID)	Manufacture and sale of bar code printers	35.74 %	35.87 %	35.89 %	Note 4
Ever Energetic	TSCH	Holding company and trading of rectifiers	36.96 %	36.96 %	36.96 %	Note 3
Ever Energetic	TSC America, Inc.(TSCA)	Trading of rectifiers	75.00 %	75.00 %	75.00 %	Note 3
Ever Winner	TSCH	Holding company and trading of rectifiers	37.82 %	37.82 %	37.82 %	Note 3
Ever Winner	TSCA	Trading of rectifiers	25.00 %	25.00 %	25.00 %	Note 3
Ever Winner	Shanghai Great Technology Trading Co., Ltd. (TSCC)	Trading of rectifiers	100.00 %	100.00 %	100.00 %	Note 3
TSCH	Yangxin Everwell Electronic Co., Ltd. (Yangxin Everwell)	Manufacture and sale of rectifiers	100.00 %	100.00 %	100.00 %	-
TSCH	Tianjin Everwell Technology Co., Ltd. (Tianjin Everwell)	Manufacture and sale of wafers	100.00 %	100.00 %	100.00 %	Note 3
TSC Auto ID	TSC Auto ID Technology EMEA GmbH (TSCAE)	Trading of bar code printers and other parts	100.00 %	100.00 %	100.00 %	-
TSC Auto ID	TSC Auto ID (H.K.) Ltd. (TSC HK)	Holding company and general import and export business	100.00 %	100.00 %	100.00 %	-
TSC Auto ID	TSC Auto Technology America Inc. (TSCAA)	Trading of bar code printers and other parts	100.00 %	100.00 %	100.00 %	-
TSC Auto ID	Printronix Auto ID Technology Co., Ltd. (Printronix AD)	Trading of bar code printers and other parts	-	-	100.00 %	Note 1
TSC Auto ID	Diversified Labeling Solutions, Inc. (DLS)	Customization of design, integration and marketing of label papers and other parts	100.00 %	100.00 %	100.00 %	-
TSC Auto ID	TSC Auto ID Technology India Private limited (TSCIN)	Trading of bar code printers and other parts	100.00 %	100.00 %	100.00 %	-
TSC Auto ID	Mosfortico Investments sp. z o.o. (TSCPL)	General investment	100.00 %	100.00 %	100.00 %	-
TSC Auto ID	Bluebird Inc. (BB)	Production and sales of mobile computers and their parts for enterprise	99.85 %	96.54 %	-	Note 3
TSC Auto ID and BB	Bluebird Latin America S. de R.L. de CV (BBMX)	Production and sales of mobile computers and their parts for enterprise	100.00 %	100.00 %	-	Note 2、3
TSCAE	TSC Auto ID Technology ME, Ltd. FZE (TSCAD)	Trading of bar code printers and other parts	100.00 %	100.00 %	100.00 %	-
TSCAE	TSC Auto ID Technology Spain, S.L. (TSCAS)	Trading of bar code printers and other parts	100.00 %	100.00 %	100.00 %	-
TSC HK	Tianjin TSC Auto ID Technology Co., Ltd. (TTSC)	Manufacture and sale of bar code printers and other parts	100.00 %	100.00 %	100.00 %	-
DLS	Precision Press & Label, Inc. (PPL)	Sale of bar code printers, label papers, other parts	100.00 %	100.00 %	100.00 %	-
TSCPL	MGN sp. z o.o. (MGN)	Customization of design, integration and marketing of label papers and other parts	100.00 %	100.00 %	100.00 %	-
BB	Bluebird USA Inc. (BBUS)	Production and sales of mobile computers and their parts for enterprise	100.00 %	100.00 %	-	Note 3
BB	Bluebird India R&D Center Private Ltd. (BBIN)	Research and development, and design of mobile computers for enterprise use, and technical services	99.00 %	99.00 %	-	Note 3
BB	Bluebird Germany GmbH (BBDE)	Production and sales of mobile computers and their parts for enterprise	100.00 %	100.00 %	-	Note 3
BB	Bluebird Europe SL (BBES)	Production and sales of mobile computers and their parts for enterprise	100.00 %	100.00 %	-	Note 3
BB	Bluebird Japan Co., Ltd. (BBJP)	Production and sales of mobile computers and their parts for enterprise	100.00 %	-	-	Note 3

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TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

Note 1 : In May 2024, Printronix AD's board of directors resolved to dissolve and liquidate the company. The liquidation was reported as completed to the court in November 2024.

Note 2 : In November 2024, TSC Auto ID, through a business combination, acquired its South Korean subsidiary, BB, who holds a 99.97% equity interest in BBMX, with the remaining 0.03% being purchased by TSC Auto ID, resulting in both companies to jointly hold the entire shares of BBMX.

Note 3 : Since it is a non-significant subsidiary, its financial statements for the nine months ended September 30, 2025 have not been reviewed by the certified public accountant.

Note 4 : The Company has control over TSC Auto ID and therefore regards it as a subsidiary.

(ii) Unlisted subsidiaries in the consolidated financial statements: None.

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B 12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period (and allocated to current and deferred taxes based on its proportionate size).

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(d) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 "Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to the consolidated financial statements for the year ended December 31, 2024.

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TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts:

Except for the following, disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to the 2024 annual consolidated financial statements.

(a) Cash and cash equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash and pretty cash	\$ 666	826	725
Checking and demand deposits	2,933,122	2,978,256	2,064,645
Time deposits	1,016,847	1,127,679	885,126
Repurchase agreement	-	-	100,000
Less: Time deposits with an original maturity date of more than three months (note 6(b))	(555,230)	(582,140)	(497,530)
	<u>\$ 3,395,405</u>	<u>3,524,621</u>	<u>2,552,966</u>

Please refer to note 6(v) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets and liabilities at fair value through profit or loss

(i) The financial instruments held by the Group were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Current (financial assets):			
Mandatorily measured at fair value through profit or loss:			
Beneficiary certificates	\$ -	20,089	100,074
Currency forward contracts	-	43	2,044
	<u>\$ -</u>	<u>20,132</u>	<u>102,118</u>
Other financial assets:			
Time deposits with an original maturity date of more than three months to one year	\$ 469,810	358,240	271,380
Other (Note)	-	43,659	332,796
	<u>\$ 469,810</u>	<u>401,899</u>	<u>604,176</u>

(Continued)

TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

	September 30, 2025	December 31, 2024	September 30, 2024
Mandatorily measured at fair value through profit or loss:			
Contingent consideration	\$ 36,176	68,931	56,008
Currency forward contracts	2,110	1,190	664
	<u><u>\$ 38,286</u></u>	<u><u>70,121</u></u>	<u><u>56,672</u></u>
Non-current (financial assets):			
Mandatorily measured at fair value through profit or loss:			
Fund in foreign markets	<u><u>\$ 101,202</u></u>	<u><u>66,152</u></u>	<u><u>39,616</u></u>
Other financial assets:			
Time deposits with an original maturity date of more than one year	\$ 85,420	223,900	226,150
Refundable deposits	42,618	57,306	53,192
	<u><u>\$ 128,038</u></u>	<u><u>281,206</u></u>	<u><u>279,342</u></u>
Mandatorily measured at fair value through profit or loss:			
Contingent consideration	<u><u>\$ 28,078</u></u>	<u><u>26,784</u></u>	<u><u>21,293</u></u>

Note: TSC Auto ID merged with, and acquired the entire equity interest of, MGN on June 12, 2023, where it made its final payment of EUR1,292 thousand, to a custodian account managed by a third party. To ensure that both parties have fulfilled their obligations under the acquisition agreement, the custodian account were settled on January 7, 2025.

Please refer to note 6(v) for the disclosures of credit risk exposures, currency risk exposures, and interest rate risk exposures.

- (ii) The Group uses derivative financial instruments to hedge certain foreign exchange exposures arising from its operating activities. The Group held the following derivative financial instruments presented as held-for-trading financial assets (liabilities):

September 30, 2025				
	Contract amount		Currency	Contract period
Selling/buying forward USD	4,000 / NTD 120,593		USD to NTD	2025.10
Selling/buying forward EUR	3,000 / NTD 106,470		EUR to NTD	2025.10
December 31, 2024				
	Contract amount		Currency	Contract period
Selling/buying forward USD	6,000 / NTD 195,407		USD to NTD	2025.01
Selling/buying forward EUR	1,000 / NTD 34,154		EUR to NTD	2025.01

(Continued)

TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

September 30, 2024					
		Contract amount		Currency	Contract period
Selling/buying forward	USD	6,000 / NTD	191,756	USD to NTD	2024.10
Selling/buying forward	EUR	6,000 / NTD	211,342	EUR to NTD	2024.10~2024.11

(c) Notes and accounts receivable

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable	\$ 56	12	62
Accounts receivable	3,432,313	3,429,545	3,061,449
Less: Allowance for impairment	(76,350)	(64,146)	(44,779)
	<u>\$ 3,356,019</u>	<u>3,365,411</u>	<u>3,016,732</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information.

The loss allowance in Rectifiers was determined as follows:

September 30, 2025			
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 1,354,495	0.41%	5,616
1 to 90 days past due	94,071	0.69%	648
91 to 180 days past due	3,421	23.83%	815
181 to 270 days past due	31	50.00%	16
	<u>\$ 1,452,018</u>		<u>7,095</u>
December 31, 2024			
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 1,478,634	0.29%	4,281
1 to 90 days past due	102,982	1.01%	1,038
91 to 180 days past due	387	50.00%	194
	<u>\$ 1,582,003</u>		<u>5,513</u>

(Continued)

TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

	September 30, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 1,438,046	0.36%	5,210
1 to 90 days past due	81,890	1.06%	868
91 to 180 days past due	738	26.23%	193
181 to 270 days past due	4	50.00%	2
	<u>\$ 1,520,678</u>		<u>6,273</u>

The loss allowance in Bar Code Printers was determined as follows:

	September 30, 2025		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 1,567,578	1.00%	13,237
1 to 90 days past due	262,010	1.00%	2,620
91 to 180 days past due	36,947	3.00%	1,108
181 to 270 days past due	10,573	5.00%	529
271 to 365 days past due	57,202	10.00%	5,720
More than 365 days past due	46,041	100.00%	46,041
	<u>\$ 1,980,351</u>		<u>69,255</u>

	December 31, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 1,369,204	0.88%	11,999
1 to 90 days past due	399,486	1.00%	3,995
91 to 180 days past due	22,192	3.00%	666
181 to 270 days past due	12,949	5.00%	647
271 to 365 days past due	2,663	10.00%	266
More than 365 days past due	41,060	100.00%	41,060
	<u>\$ 1,847,554</u>		<u>58,633</u>

(Continued)

TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

	September 30, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 1,131,390	1.01%	11,386
1 to 90 days past due	341,382	1.00%	3,414
91 to 180 days past due	21,294	3.00%	639
181 to 270 days past due	19,249	5.00%	962
271 to 365 days past due	6,014	10.00%	601
More than 365 days past due	<u>21,504</u>	100.00%	<u>21,504</u>
	<u>\$ 1,540,833</u>		<u>38,506</u>

The movement in the allowance for notes and trade receivable was as follows:

	For the nine months ended September 30	
	2025	2024
Balance on January 1, 2025 and 2024	\$ 64,146	46,449
Impairment losses recognized	13,199	10,195
Recovery of written-off bad debts	-	241
Amounts written off	-	(13,604)
Foreign exchange gains	<u>(995)</u>	<u>1,498</u>
Balance on September 30, 2025 and 2024	<u>\$ 76,350</u>	<u>44,779</u>

As of September 30, 2025, December 31 and September 30, 2024, the Group does not regard as any collateral or discount for notes and trade receivable.

(d) Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Finished goods	\$ 1,450,206	1,710,762	1,736,175
Semi-finished goods and work in process	856,045	664,694	589,759
Raw material and supplies	1,169,664	1,212,681	1,048,312
Inventories in transit	<u>199,589</u>	<u>289,870</u>	<u>242,399</u>
	<u>\$ 3,675,504</u>	<u>3,878,007</u>	<u>3,616,645</u>

Raw material, consumables, and changes in the finished goods and work in progress recognized as cost of sales amounted to \$3,015,669 thousand, \$2,670,699 thousand, \$9,452,164 thousand and \$7,305,394 thousand for the three months ended September 30, 2025 and 2024 and the nine months ended September 30, 2025 and 2024, respectively.

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TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

During the three months ended September 30, 2025 and 2024 and the nine months ended September 30, 2025 and 2024, the write-down of inventories to net realizable value amounting to \$18,247 thousand, \$99,776 thousand, \$169,937 thousand and \$212,824 thousand, respectively.

As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any inventories as collateral for its loans.

(e) The significant non-controlling interests of subsidiaries

The subsidiaries' non-controlling interests that have significant effect on the Group were as follows:

Name of subsidiary	Country	Percentage of non-controlling interests on ownership interests and voting rights		
		September 30, 2025	December 31, 2024	September 30, 2024
TSC Auto ID Technology Co., Ltd. (TSC Auto ID)	Taiwan	64.26 %	64.13 %	64.11 %

The financial statement of TSC Auto ID has been prepared in accordance with the IFRSs endorsed by the FSC. The summary of financial information for TSC Auto ID was as follows. This financial information is disclosed in the amounts before the elimination on transactions between the Group.

The summary of financial information:

	September 30, 2025	December 31, 2024	September 30, 2024
Current assets	\$ 5,914,730	5,948,499	4,539,454
Non-current assets	6,469,735	6,757,364	5,077,186
Current liabilities	(3,551,014)	(3,834,188)	(3,094,903)
Non-current liabilities	(3,800,997)	(3,770,396)	(1,411,521)
Net assets	<u>\$ 5,032,454</u>	<u>5,101,279</u>	<u>5,110,216</u>
Non-controlling interests	<u>\$ 3,070,501</u>	<u>3,150,273</u>	<u>3,015,504</u>

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TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Sales revenue	\$ <u>2,747,653</u>	<u>2,228,046</u>	<u>8,685,286</u>	<u>6,172,515</u>
Net income	\$ 250,214	145,509	663,839	533,766
Other comprehensive income	<u>234,289</u>	<u>(215,730)</u>	<u>(200,966)</u>	<u>(313,432)</u>
Comprehensive income	\$ <u>484,503</u>	<u>(70,221)</u>	<u>462,873</u>	<u>220,334</u>
Net income attributable to non-controlling interests	\$ <u>160,808</u>	<u>93,178</u>	<u>427,637</u>	<u>341,469</u>
Comprehensive income attributable to non-controlling interests	\$ <u>240,065</u>	<u>74,812</u>	<u>280,013</u>	<u>412,994</u>
	For the nine months ended September 30		2025	2024
Cash flows from operating activities			\$ 1,126,353	475,609
Cash flows used in investing activities			(273,704)	(505,623)
Cash flows used in financing activities			(982,500)	(126,429)
Effect of exchange rate changes on cash and cash equivalents			(150,329)	16,336
Net decrease in cash and cash equivalents			\$ <u>(280,180)</u>	<u>(140,107)</u>

(f) Property, plant and equipment

	Land	Building and construction	Machinery and equipment	Total
Cost or deemed cost:				
Balance at 1 January, 2025	\$ 866,666	1,546,272	9,098,439	11,511,377
Additions	-	12,928	165,086	178,014
Disposals	-	-	(51,166)	(51,166)
Write-off	-	-	(345,054)	(345,054)
Others (including capitalized interest)	-	4,117	153,842	157,959
Effect of movement in exchange rates	<u>246</u>	<u>(17,024)</u>	<u>(242,725)</u>	<u>(259,503)</u>
Balance at September 30, 2025	\$ <u>866,912</u>	<u>1,546,293</u>	<u>8,778,422</u>	<u>11,191,627</u>
Balance at 1 January, 2024(restated)	\$ 866,547	1,523,635	8,108,259	10,498,441
Additions	-	1,489	148,408	149,897
Disposals	-	-	(26,985)	(26,985)
Write-off	-	-	(75,488)	(75,488)
Others (including capitalized interest)	-	607	281,336	281,943
Effect of movement in exchange rates	<u>214</u>	<u>22,821</u>	<u>196,049</u>	<u>219,084</u>
Balance at September 30, 2024	\$ <u>866,761</u>	<u>1,548,552</u>	<u>8,631,579</u>	<u>11,046,892</u>

(Continued)

TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery and equipment</u>	<u>Total</u>
Accumulated depreciation and impairment loss:				
Balance at 1 January, 2025	\$ -	659,473	6,437,467	7,096,940
Depreciation for the year	-	33,296	509,047	542,343
Impairment gains	-	-	(1,724)	(1,724)
Disposals	-	-	(45,131)	(45,131)
Write-off	-	-	(320,804)	(320,804)
Others (including capitalized interest)	-	-	1,458	1,458
Effect of movement in exchange rates	-	(7,673)	(162,868)	(170,541)
Balance at September 30, 2025	<u>\$ -</u>	<u>685,096</u>	<u>6,417,445</u>	<u>7,102,541</u>
Balance at 1 January, 2024(restated)	\$ -	606,480	5,484,064	6,090,544
Depreciation for the year	-	35,127	524,371	559,498
Impairment gains	-	-	(2,050)	(2,050)
Disposals	-	-	(23,973)	(23,973)
Write-off	-	-	(70,812)	(70,812)
Effect of movement in exchange rates	-	7,723	135,105	142,828
Balance at September 30, 2024	<u>\$ -</u>	<u>649,330</u>	<u>6,046,705</u>	<u>6,696,035</u>
Carrying amount:				
Balance at January 1, 2025	<u>\$ 866,666</u>	<u>886,799</u>	<u>2,660,972</u>	<u>4,414,437</u>
Balance at September 30, 2025	<u>\$ 866,912</u>	<u>861,197</u>	<u>2,360,977</u>	<u>4,089,086</u>
Balance at January 1, 2024 (restated)	<u>\$ 866,547</u>	<u>917,155</u>	<u>2,624,195</u>	<u>4,407,897</u>
Balance at September 30, 2024	<u>\$ 866,761</u>	<u>899,222</u>	<u>2,584,874</u>	<u>4,350,857</u>

- (i) As of September 30, 2025, December 31 and September 30, 2024, the property, plant and equipment of the Group had been pledged as collateral for its long-term borrowings, please refer to note 8.
- (ii) The Company's interest capitalized for purchasing property, plant, and equipment for the three months and nine months ended September 30, 2025, and 2024 were \$173 thousand, \$343 thousand, \$909 thousand and \$1,218 thousand, respectively, both at a rate of 1.74% 、1.50% 、1.74% , and 1.50%.

(g) Right-of-use assets

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Total</u>
Carrying amount:					
Balance at January 1, 2025	<u>\$ 7,987</u>	<u>666,408</u>	<u>16,038</u>	<u>10,648</u>	<u>701,081</u>
Balance at September 30, 2025	<u>\$ 7,356</u>	<u>542,495</u>	<u>14,634</u>	<u>13,498</u>	<u>577,983</u>
Balance at January 1, 2024	<u>\$ 8,071</u>	<u>150,755</u>	<u>17,493</u>	<u>12,976</u>	<u>189,295</u>
Balance at September 30, 2024	<u>\$ 8,160</u>	<u>528,750</u>	<u>17,252</u>	<u>10,662</u>	<u>564,824</u>

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TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

(h) Intangible assets

	Acquired special technology	Customer relationship	Patent	Software	Trademarks rights	Other	Total
Carrying amount:							
Balance at January 1, 2025	\$ 742,592	152,650	102,168	81,934	80	69,059	1,148,483
Balance at September 30, 2025	\$ 674,913	145,140	84,182	59,469	22	67,308	1,031,034
Balance at January 1, 2024(restated)	\$ 355,889	135,913	-	29,425	-	-	521,227
Balance at September 30, 2024	\$ 346,048	114,502	-	19,412	-	-	479,962

(i) Goodwill

	September 30, 2025	December 31, 2024	September 30, 2024
Cost			
Beginning balance	\$ 2,029,444	1,339,762	1,339,762
Acquisition through business combinations	-	638,578	-
Effect of movement in exchange rates	83,649	51,104	43,489
Ending balance	\$ 1,939,813	2,029,444	1,383,251

Goodwill had been allocated to two individual cash-generating units—one in Rectifiers department (CGU Rectifiers) and the other in Bar Code Printers department (CGU Bar Code Printers). The carrying amounts of goodwill which had been allocated to each CGU were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
CGU Rectifiers	\$ 77,817	83,799	80,898
CGU Bar Code Printers	1,861,996	1,945,645	1,302,353
	\$ 1,939,813	2,029,444	1,383,251

The overall carrying amount of Bar Code Printers goodwill is allocated to the following cash generating units:

	September 30, 2025	December 31, 2024	September 30, 2024
Printer business group	\$ 853,099	918,669	886,865
Label business-DLS	195,841	210,893	203,592
Label business-MGN	214,113	204,252	211,896
Mobile device business-Bluebird	598,943	611,831	-
Total	\$ 1,861,996	1,945,645	1,302,353

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To provide customers with a comprehensive automatic identification system solution and enhance the Group's overall market share and brand competitiveness, TSC Auto ID acquired 96.54% equity interest in BB for KRW 118,740,223 thousand (approximately NTD 2,783,490 thousand) in November 2024. After acquiring a 3.31% equity interest in BB for KRW 4,070,422 thousand in June 2025, the Company holds a 99.85% equity interest in BB.

(j) Short-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured credit loans	\$ 1,379,001	1,985,419	1,776,825
Import and export loans	395,785	295,065	284,850
Secured loans	-	6,217	-
	<u>\$ 1,774,786</u>	<u>2,286,701</u>	<u>2,061,675</u>
Unused short-term credit lines	<u>\$ 4,685,989</u>	<u>4,477,457</u>	<u>4,521,134</u>
Range of interest rate (%)	<u>1.79%~4.85%</u>	<u>1.77%~7.52%</u>	<u>1.72%~7.52%</u>

Please refer to note 6(v) for the disclosures of interest rate risk exposures, currency risk exposures, and liquidity risk exposures.

Please refer to note 8 & 9 for disclosures of mortgaged and pledged assets.

(k) Long-term borrowings

	September 30, 2025		
	Rate range	Maturity year	Amount
Unsecured bank loans	1.675%	2030.01.15	\$ 13,660
	1.525%	2029.03.15	427,300
	1.525%	2029.02.01	160,800
	1.320%	2028.12.31	112,190
	1.325%	2027.07.16	117,333
	1.825%	2026.12.04	12,104
	1.325%	2026.12.04	14,359
	1.83%~1.87%	2028.06.19	1,600,000
Secured bank loans (Note)	2.38%~4.00%	2029.11.14	<u>1,105,170</u>
			3,562,916
Less: Unamortized balance			(6,568)
Less: Current portion			<u>(330,149)</u>
Total			<u>\$ 3,226,199</u>
Unused long-term credit lines			<u>\$ 2,723,170</u>

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TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

December 31, 2024			
	Rate range	Maturity year	Amount
Unsecured bank loans	1.675%	2030.01.15	\$ 13,660
	1.525%	2029.03.15	304,000
	1.525%	2029.02.01	92,700
	1.320%	2028.12.31	112,190
	1.325%	2027.07.16	165,333
	1.325%	2026.12.04	43,475
	1.325%	2025.03.28	20,000
	1.77%~1.88%	2027.12.02	540,000
Secured bank loans (Note)	2.37%~4.91%	2029.11.14	<u>2,011,009</u>
			3,302,367
Less: Unamortized balance			(7,797)
Less: Current portion			<u>(314,125)</u>
Total			<u><u>\$ 2,980,445</u></u>
Unused long-term credit lines			<u><u>\$ 3,174,570</u></u>

September 30, 2024			
	Rate range	Maturity year	Amount
Unsecured bank loans	1.675%	2030.02.01	\$ 12,160
	1.525%	2029.03.18	279,800
	1.525%	2029.02.01	56,500
	1.320%	2028.12.31	65,490
	1.805%	2027.07.16	181,333
	1.805%	2026.12.04	49,145
	1.325%	2025.03.28	40,000
	1.325%	2024.12.25	30,000
	1.77%~1.81%	2026.03.13	340,000
Secured bank loans	4.89%~5.42%	2027.12.15	<u>13,586</u>
			\$ 1,068,014
Less: Current portion			<u>(165,140)</u>
Total			<u><u>\$ 902,874</u></u>
Unused long-term credit lines			<u><u>\$ 3,223,170</u></u>

Note: TSC Auto ID pledged the equity acquired from BB Company as collateral. The loan amount was used to cover the cash consideration and related expenses required for the acquisition of BB.

For the collateral for long-term borrowings, please refer to note 8.

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TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

(l) Other payables

	September 30, 2025	December 31, 2024	September 30, 2024
Salaries and bonus payable	\$ 401,291	428,091	382,292
Payables on equipment	42,972	49,494	87,046
Others	359,319	461,505	453,669
	<u>\$ 803,582</u>	<u>939,090</u>	<u>923,007</u>

(m) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Current	\$ 120,147	134,573	107,981
Non-current	477,077	568,029	449,778
	<u>\$ 597,224</u>	<u>702,602</u>	<u>557,759</u>

For the maturity analysis, please refer to note 6(v).

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Interest on lease liabilities	\$ <u>22,562</u>	<u>11,547</u>	<u>35,681</u>	<u>19,965</u>
Expenses relating to short-term leases	\$ <u>3,331</u>	<u>11,256</u>	<u>13,440</u>	<u>15,761</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>3,338</u>	<u>1,963</u>	<u>9,951</u>	<u>3,170</u>

The Group leased buildings, vehicles and machinery equipment for its offices, plants, official cars and daily operations, with lease periods ranging from 1 to 11 years. The lease of offices and warehouses located in the United States is subject to an annual lease payment increase at rates ranging from 2.5% to 10.8%, and the lease payment of offices located in India is subject to an annual lease payment adjustment at a rates ranging from 4% to 5%.

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TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the nine months ended September 30	
	2025	2024
	\$ 206,732	135,542
Total cash outflow for leases		

(n) Employee benefits

(i) Defined benefit plans

Management believes that there were no material market volatility, no material reimbursement and settlement or other material one-time events. As a result, the pension cost in the accompanying interim consolidated financial statements was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

The pension expenses recognized in profit or loss for the Group were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Operating cost	\$ 46	72	140	210
Selling expenses	10	18	29	55
Administrative expenses	109	110	328	327
Research and development expenses	23	25	71	73
	\$ 188	225	568	665

(ii) Defined contribution plans

For the three months and nine months ended September 30, 2025 and 2024, the Group's pension costs under the defined contribution method were \$13,792 thousand, \$18,161 thousand, \$25,838 thousand and \$53,614 thousand, respectively. Payment was made to the Bureau of Labor Insurance.

(iii) The pension cost of foreign subsidiaries recognized in accordance with the local method amounted to \$26,974 thousand, \$13,217 thousand, \$97,226 thousand and \$39,118 thousand for the three months and nine months ended September 30, 2025 and 2024, respectively.

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TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

(o) Income tax

(i) The components of income tax in the years 2025 and 2024 were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Current tax expenses				
Current period	\$ 72,039	158,136	253,866	356,102
Additional tax on undistributed earnings	-	-	11,775	16,821
Adjustment for prior periods	<u>24,767</u>	<u>-</u>	<u>(7,218)</u>	<u>(1,641)</u>
	<u>96,806</u>	<u>158,136</u>	<u>258,423</u>	<u>371,282</u>
Deferred tax expenses (gains)				
Origination of temporary differences	<u>25,660</u>	<u>(73,729)</u>	<u>26,720</u>	<u>(71,690)</u>
Total income tax expenses	<u>\$ 122,466</u>	<u>84,407</u>	<u>285,143</u>	<u>299,592</u>

(ii) The amount of income tax recognized in other comprehensive income for the years 2025 and 2024 were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Items that maybe reclassified subsequently to profit or loss:				
Foreign currency translation differences of foreign operations	<u>\$ 28,755</u>	<u>(7,250)</u>	<u>(47,499)</u>	<u>27,891</u>

(iii) There was no income tax recognized directly in equity for the nine months ended September 30, 2025 and 2024, respectively.

(iv) As of September 30, 2025, the income tax returns of the Company and TSC Auto ID through the year 2022 and 2023, have been approved by the Tax Authority.

(v) Since funds are needed for expanding the overseas operations, the earnings of the Company's overseas subsidiaries will not be transferred back in the short run. In accordance with paragraph 39 of IAS 12 "Income Taxes", the earnings' book-tax difference should be considered permanent.

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TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

(p) Stockholders' equity

(i) Common stock

As of September 30, 2025, December 31 and September 30, 2024, the authorized capital amounted to \$9,000,000 thousand (including the amount of \$100,000 authorized for the issuance of the employee stock options); the Company's outstanding capital amounted to \$2,634,854 thousand, respectively, with a par value of \$10 (dollars) per share.

(ii) Capital surplus

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Premium on shares issued above par value	\$ 639,859	639,859	639,859
Conversion premium of convertible corporate bonds	1,229,442	1,229,442	1,229,442
Treasury share transactions	264,353	232,065	232,065
Employee share options premium	24,378	24,378	24,378
Interest compensation payable on convertible corporate bonds	18,674	18,674	18,674
Employee share options	1,543	1,543	1,543
Change in affiliates recognized under equity method	<u>104,734</u>	<u>107,023</u>	<u>106,287</u>
	<u><u>\$ 2,282,983</u></u>	<u><u>2,252,984</u></u>	<u><u>2,252,248</u></u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of the paid-in capital may be distributed.

(iv) Special reserve

According to ROC SFB regulations, an ROC publicly listed company should retain its special reserve equal to any deductions from stockholders' equity before distribution of earnings. If the aforementioned deduction from stockholders' equity is reversed, the same amount could be removed from special reserve and transferred to unappropriated earnings. The remaining earnings may be distributed as stockholders' dividends.

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The increase in retained earnings occurring before the adoption date due to the first-time adoption of IFRSs amounted to \$302,149. In accordance with IFRS 1 issued by the Financial Supervisory Commission, an increase in retained earnings due to the first-time adoption of IFRSs shall be reclassified as a special earnings reserve during earnings distribution. When the relevant assets are used, disposed of, or reclassified, this special earnings reserve shall be reversed as distributable earnings proportionately. The carrying amount of special earnings reserve amounted to \$302,149 on September 30, 2025 and 2024.

In accordance with the requirements issued by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. If the Company has already reclassified a portion of earnings to special reserve under the preceding subparagraph, it shall make supplemental allocation of special reserve for any difference between the amount it has already allocated and the amount of the current-period total net reduction of other shareholders' equity. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than after-tax net profit in the period, that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of undistributed prior-period earnings shall be reclassified to special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(v) Distribution of earnings and dividend policy

In accordance with the Company's articles of incorporation, if there are appropriate earnings at year-end, the after-tax earnings shall first be offset against any deficit, and 10% should be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Special capital reserve may be appropriated in accordance with relevant laws. The remaining balance of the earnings can be distributed in accordance with a resolution passed during a meeting of the Board of Directors and approved at the Stockholders' meeting.

According to the stock dividend policy of the Company, in consideration of future capital needs, operational development, capital needs, international and domestic competitiveness, and stockholders' benefits, etc., cash dividends cannot be lower than 10% of total stock dividends. However, stock dividends instead of cash dividends are distributed if the cash dividends per share are less than 0.2 (dollars).

The annual shareholders' meeting on June 19, 2025 and 2024, resolved to distribute earning as dividends and as employee bonuses and directors' remuneration for 2024 and 2023 as follows:

	2024		2023	
	Amount per share (dollars)	Total amount	Amount per share (dollars)	Total amount
Dividends distributed to common shareholders:				
Cash	\$ 2.02	<u><u>526,971</u></u>	2.00	<u><u>526,971</u></u>

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TAIWAN SEMICONDUCTOR CO., LTD.
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(vi) Treasury shares

For the nine months ended September 30, 2025, the Company purchased 3,000 thousand treasury shares for \$141,417 thousand in order to transfer them to its employees in accordance with the requirements under section 28(2) of the Securities and Exchange Act.

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and should not hold any shareholder rights before their transfer.

As of September 30, 2025 and 2024, a subsidiary of the Company, TSC Auto ID, held 15,960 thousand shares of the Company, respectively. The buyback cost of these shares were \$599,878 thousand, respectively, which were recognized under treasury shares.

As of year-end 2025 and 2024, the Company had recognized dividend income received from its TSC Auto ID subsidiary in the amount of \$32,288 thousand and \$31,920 thousand, respectively, and the total amount were transferred to capital surplus – treasury shares under the equity method.

(vii) Other equity

	Foreign exchange differences arising from foreign operation
Balance at January 1, 2025	\$ (244,678)
Foreign exchange differences	(283,600)
Balance at September 30, 2025	<u><u>\$ (528,278)</u></u>
Balance at January 1, 2024	\$ (419,530)
Foreign exchange differences	214,982
Balance at September 30, 2024	<u><u>\$ (204,548)</u></u>

(q) Share-based payment

There were no significant changes with share-based payment for the nine months ended September 30, 2025 and 2024. Please refer to the 2024 annual consolidated financial statements.

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Notes to the Consolidated Financial Statements

(r) Revenue from contracts with customers

(i) Disaggregation of revenue

For the three months ended September 30, 2025			
	Rectifiers	Bar code Printers	Total
Primary geographical markets			
Asia	\$ 957,184	777,870	1,735,054
America	180,695	1,169,969	1,350,664
Europe	447,548	792,823	1,240,371
Others	17,011	6,903	23,914
	<u>\$ 1,602,438</u>	<u>2,747,565</u>	<u>4,350,003</u>
Major products lines			
Rectifiers	\$ 1,602,438	-	1,602,438
Bar code Printers	-	2,747,565	2,747,565
	<u>\$ 1,602,438</u>	<u>2,747,565</u>	<u>4,350,003</u>
For the three months ended September 30, 2024			
	Rectifiers	Bar code Printers	Total
Primary geographical markets			
Asia	\$ 1,099,468	581,337	1,680,805
America	138,780	1,010,860	1,149,640
Europe	349,897	635,831	985,728
Others	22,032	-	22,032
	<u>\$ 1,610,177</u>	<u>2,228,028</u>	<u>3,838,205</u>
Major products lines			
Rectifiers	\$ 1,610,177	-	1,610,177
Bar code Printers	-	2,228,028	2,228,028
	<u>\$ 1,610,177</u>	<u>2,228,028</u>	<u>3,838,205</u>

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For the nine months ended September 30, 2025			
	Rectifiers	Bar code Printers	Total
Primary geographical markets			
Asia	\$ 3,035,328	2,944,886	5,980,214
America	488,098	3,272,389	3,760,487
Europe	1,306,730	2,456,863	3,763,593
Others	50,965	11,026	61,991
	<u>\$ 4,881,121</u>	<u>8,685,164</u>	<u>13,566,285</u>
Major products lines			
Rectifiers	\$ 4,881,121	-	4,881,121
Bar code Printers	-	8,685,164	8,685,164
	<u>\$ 4,881,121</u>	<u>8,685,164</u>	<u>13,566,285</u>
For the nine months ended September 30, 2024			
	Rectifiers	Bar code Printers	Total
Primary geographical markets			
Asia	\$ 2,925,153	1,640,175	4,565,328
America	412,284	2,842,019	3,254,303
Europe	1,026,643	1,690,269	2,716,912
Others	50,870	-	50,870
	<u>\$ 4,414,950</u>	<u>6,172,463</u>	<u>10,587,413</u>
Major products lines			
Rectifiers	\$ 4,414,950	-	4,414,950
Bar code Printers	-	6,172,463	6,172,463
	<u>\$ 4,414,950</u>	<u>6,172,463</u>	<u>10,587,413</u>
(ii) Contract balances			
	September 30, 2025	December 31, 2024	September 30, 2024
Notes and trade receivable	\$ 3,432,369	3,429,557	3,061,512
Less: Allowance for impairment	(76,350)	(64,146)	(44,780)
Total	<u>\$ 3,356,019</u>	<u>3,365,411</u>	<u>3,016,732</u>

For details on accounts receivable and allowance for impairment, please refer to note 6(c).

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(s) Non-operating income and expenses

(i) Interest income

The Group's interest income detail was as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Interest income from bank deposits	\$ <u>8,959</u>	<u>10,257</u>	<u>32,915</u>	<u>30,681</u>

(ii) Other income

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Rent income	\$ (22)	2,119	2,116	6,224
Others	7,138	18,799	22,867	34,285
	<u>\$ 7,116</u>	<u>20,918</u>	<u>24,983</u>	<u>40,509</u>

(iii) Other gains and losses

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Gains (losses) on disposal of property, plant and equipment	\$ 1,374	(669)	(21,046)	(6,068)
Foreign exchange gains (losses)	85,043	(18,079)	(5,677)	80,772
Gains (losses) on financial assets at fair value through profit or loss	2,345	(680)	(7,990)	(7,702)
Gains (losses) on reversal of impairment of property, plant and equipment	(20)	16	1,724	2,050
Others	(5,490)	(2,046)	(8,684)	(7,954)
	<u>\$ 83,252</u>	<u>(21,458)</u>	<u>(41,673)</u>	<u>61,098</u>

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TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

(iv) Finance costs

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Interest expense	\$ (12,589)	(11,394)	(103,799)	(54,262)
Less: interest capitalization	226	350	909	1,428
Other financial costs	(31,162)	(20,372)	(32,048)	(21,050)
	<u>\$ (43,525)</u>	<u>(31,416)</u>	<u>(134,938)</u>	<u>(73,884)</u>

(t) Remunerations to employees and directors

On June 19, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 4% to 10% shall be allocated as employee remuneration (including a minimum of 1% to those base-level employees) and a maximum of 1% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 4% to 10% should be allocated as employee remuneration and no more than 1% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, could include employees of the subsidiaries who met certain specific requirements.

For the three months and nine months ended September 30, 2025 and 2024, the employee and non-management employee remunerations were \$9,459 thousand, \$4,915 thousand, \$19,759 thousand and \$22,944 thousand; as well as the remunerations to both directors and supervisors were \$1,576 thousand, \$819 thousand, \$3,293 thousand and \$3,824 thousand, respectively. These amounts were calculated using the Company's pre-tax income for each period before deducting the remunerations of employees, directors and supervisors, multiplied by the proposed percentages of remunerations of employees, directors, and supervisors as stated in the Company's Articles of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustments will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the years 2024 and 2023, the employee remunerations were \$34,336 thousand and \$55,799 thousand; as well as the remunerations to both directors and supervisors were \$5,723 thousand and \$9,300 thousand, respectively. Relevant information can be found on the Market Observation Post System (MOPS). There were no differences between the estimated amounts reflected in the 2024 and 2023 financial reports, and the actual amounts approved by the Board of Directors.

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(u) Earnings per share

(i) Basic earnings per share

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Net income	\$ <u>145,992</u>	<u>81,715</u>	<u>303,647</u>	<u>310,102</u>
Weighted-average number of outstanding shares (thousands)	<u>244,525</u>	<u>247,525</u>	<u>246,002</u>	<u>247,525</u>
Basic earnings per share (\$)	\$ <u>0.60</u>	<u>0.33</u>	<u>1.23</u>	<u>1.25</u>

(ii) Diluted earnings per share

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Diluted net income per share	\$ <u>145,992</u>	<u>81,715</u>	<u>303,647</u>	<u>310,102</u>
Weighted-average number of outstanding shares (thousands)	244,525	247,525	246,002	247,525
Employees' remuneration	<u>172</u>	<u>77</u>	<u>541</u>	<u>558</u>
Diluted weighted- average number of common shares outstanding (thousands)	<u>244,697</u>	<u>247,602</u>	<u>246,543</u>	<u>248,083</u>
Diluted earnings per share (\$)	\$ <u>0.60</u>	<u>0.33</u>	<u>1.23</u>	<u>1.25</u>

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Notes to the Consolidated Financial Statements

(v) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

The Group has a wide range of customers and has no significant transactions that only focus on a single customer. There is no sales revenue to a specified customer accounted for 10% of operating revenue.

3) Receivable and debt securities

For credit risk exposure of note and trade receivables, please refer to note 6(c).

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments but excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flow</u>	<u>1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
September 30, 2025						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,774,786	1,783,243	1,783,243	-	-	-
Contingent consideration in business combination	64,254	64,254	36,176	28,078	-	-
Notes and accounts payable	1,571,782	1,571,782	1,571,782	-	-	-
Other payables	803,582	803,582	803,582	-	-	-
Lease liabilities	597,224	602,589	148,032	152,386	288,334	13,837
Long-term borrowings (including expires within one year)	3,556,348	3,751,412	393,094	761,993	2,596,325	-
Derivative financial liabilities						
Currency forward contracts	2,110	2,110	2,110	-	-	-
	<u><u>\$ 8,370,086</u></u>	<u><u>8,578,972</u></u>	<u><u>4,738,019</u></u>	<u><u>942,457</u></u>	<u><u>2,884,659</u></u>	<u><u>13,837</u></u>
December 31, 2024						
Non-derivative financial liabilities						
Short-term borrowings	\$ 2,286,701	2,297,312	2,297,312	-	-	-
Contingent consideration in business combination	95,715	95,715	68,931	26,784	-	-
Accounts payable	1,374,344	1,374,344	1,374,344	-	-	-
Other payables	939,090	939,090	939,090	-	-	-
Lease liabilities	702,602	846,280	178,837	171,731	471,206	24,506
Long-term borrowings (including expires within one year)	3,294,570	3,524,278	374,508	515,253	2,634,137	380

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Notes to the Consolidated Financial Statements

	<u>Carrying amount</u>	<u>Contractual cash flow</u>	<u>1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
Derivative financial liabilities						
Currency forward contracts	\$ 1,190	1,190	1,190	-	-	-
	<u>\$ 8,694,212</u>	<u>9,078,209</u>	<u>5,234,212</u>	<u>713,768</u>	<u>3,105,343</u>	<u>24,886</u>
September 30, 2024						
Non-derivative financial liabilities						
Short-term borrowings	\$ 2,061,675	2,071,244	2,071,244	-	-	-
Contingent consideration in business combination	77,301	77,301	77,301	-	-	-
Accounts payable	1,428,530	1,428,530	1,428,530	-	-	-
Other payables	923,007	923,007	923,007	-	-	-
Lease liabilities	557,759	675,964	149,162	134,800	352,192	39,810
Long-term borrowings (including expires within one year)	1,068,014	1,102,174	180,498	453,698	466,622	1,356
Derivative financial liabilities						
Currency forward contracts	664	664	664	-	-	-
	<u>\$ 6,116,950</u>	<u>6,278,884</u>	<u>4,830,406</u>	<u>588,498</u>	<u>818,814</u>	<u>41,166</u>

The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	<u>September 30, 2025</u>		<u>December 31, 2024</u>		<u>September 30, 2024</u>	
	<u>Exchange rate</u>	<u>Amount (NTD)</u>	<u>Exchange rate</u>	<u>Amount (NTD)</u>	<u>Exchange rate</u>	<u>Amount (NTD)</u>
<u>Financial assets</u>						
<u>Monetary Items</u>						
USD	30.445	\$ 2,879,422	32.785	2,462,291	31.65	2,245,717
EUR	35.77	1,629,878	34.14	1,421,682	35.38	1,140,920
JPY	0.2058	226,771	0.2099	218,854	0.2223	207,109
HKD	3.9130	431,685	4.2220	428,308	4.0750	434,947
CNY	4.2710	2,608,378	4.4780	2,545,509	4.5230	2,366,540
KRW	0.0217	405	0.0223	2,128	0.0241	494
GBP	40.97	11,185	41.19	9,844	42.43	-
		<u>\$ 7,787,724</u>		<u>7,088,616</u>		<u>6,395,727</u>
<u>Derivative financial instruments</u>						
USD	30.445	\$ -	32.785	-	31.65	2,044
EUR	35.77	-	34.14	43	35.38	-
		<u>\$ -</u>		<u>43</u>		<u>2,044</u>

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	<u>September 30, 2025</u>		<u>December 31, 2024</u>		<u>September 30, 2024</u>	
	<u>Exchange rate</u>	<u>Amount (NTD)</u>	<u>Exchange rate</u>	<u>Amount (NTD)</u>	<u>Exchange rate</u>	<u>Amount (NTD)</u>
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	30.445	\$ 1,116,664	32.785	1,176,291	31.65	1,008,476
EUR	35.77	749,617	34.14	866,072	35.38	525,858
JPY	0.2058	71,757	0.2099	66,091	0.2223	77,399
HKD	3.9130	1,811	4.2220	1,527	4.0750	1,870
CNY	4.2710	1,525,640	4.4780	1,243,974	4.5230	1,117,499
KRW	0.0217	405	0.0223	1,908	0.0241	276
		<u>\$ 3,465,894</u>		<u>3,355,863</u>		<u>2,731,378</u>
<u>Derivative financial instruments</u>						
USD	30.445	\$ 1,254	32.785	1,190	31.65	-
EUR	35.77	-	34.14	-	35.38	664
		<u>\$ 1,254</u>		<u>1,190</u>		<u>664</u>

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on financial assets and financial liabilities that are denominated in foreign currency.

A strengthening (weakening) of 3% of the NTD against the foreign currency as of September 30, 2025 and 2024, would have increased or decreased the net profit before tax by \$129,617 thousand and \$109,972 thousand for the nine months ended September 30, 2025 and 2024, respectively. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for 2024 (prior year).

3) Foreign exchange gains and losses of monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. three months and nine months ended September 30, 2025 and 2024, foreign exchange gain (including realized and unrealized portions) amounted to \$85,043 thousand, \$(18,079) thousand, \$(5,677) thousand and \$80,772 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

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The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1 basis point, the Group's net profit before tax would have decreased by \$53,311 thousand and \$31,297 thousand for the nine months ended September 30, 2025 and 2024, with all other variable factors remaining constant. This is mainly due to the Group's borrowing at variable rates and investment in variable-rate bills.

(v) Other price risk

If the equity price changes, the impact of equity price change to other comprehensive income will be as follow, assuming the analysis is based on the same basis for both years and assuming that all other variables considered in the analysis remain the same:

	For the nine months ended September 30			
	2025		2024	
	Other consolidated profit or loss after tax	Net income	Other consolidated profit or loss after tax	Net income
Security price on the reporting date				
Increasing 1%	\$ -	810	-	1,318
Decreasing 1%	\$ -	(810)	-	(1,318)

(vi) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

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September 30, 2025					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Fund in foreign markets	\$ 101,202	-	-	101,202	101,202
Subtotal	<u>101,202</u>	<u>-</u>	<u>-</u>	<u>101,202</u>	<u>101,202</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	3,395,405	-	-	-	-
Notes and accounts receivable	3,356,019	-	-	-	-
Other receivables	86,337	-	-	-	-
Refundable deposits	42,618	-	-	-	-
Other financial assets (including current and non-current)	<u>597,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>7,478,227</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 7,579,429</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>101,202</u></u>	<u><u>101,202</u></u>
Financial liabilities at fair value through profit or loss	\$				
Currency forward contracts	2,110	-	2,110	-	2,110
Contingent consideration	<u>64,254</u>	<u>-</u>	<u>-</u>	<u>64,254</u>	<u>64,254</u>
Subtotal	<u>66,364</u>	<u>-</u>	<u>2,110</u>	<u>64,254</u>	<u>66,364</u>
Financial liabilities measured at amortized cost					
Notes and accounts payable	1,571,782	-	-	-	-
Other payables	803,582	-	-	-	-
Lease liabilities	597,224	-	-	-	-
Borrowings	<u>5,331,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>8,303,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 8,370,086</u></u>	<u><u>-</u></u>	<u><u>2,110</u></u>	<u><u>64,254</u></u>	<u><u>66,364</u></u>
December 31, 2024					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Beneficiary certificates	\$ 20,089	20,089	-	-	20,089
Currency forward contracts	43	-	43	-	43
Fund in foreign markets	<u>66,152</u>	<u>-</u>	<u>-</u>	<u>66,152</u>	<u>66,152</u>
Subtotal	<u>86,284</u>	<u>20,089</u>	<u>43</u>	<u>66,152</u>	<u>86,284</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	3,524,621	-	-	-	-
Notes and accounts receivable	3,365,411	-	-	-	-
Other receivables	92,526	-	-	-	-
Other financial assets (including current and non-current)	<u>683,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>7,665,663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 7,751,947</u></u>	<u><u>20,089</u></u>	<u><u>43</u></u>	<u><u>66,152</u></u>	<u><u>86,284</u></u>

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		December 31, 2024			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Currency forward contracts	\$ 1,190	-	1,190	-	1,190
Contingent consideration	95,715	-	-	95,715	95,715
Subtotal	96,905	-	1,190	95,715	96,905
Financial liabilities measured at amortized cost					
Accounts payable	1,374,344	-	-	-	-
Other payables	939,090	-	-	-	-
Lease liabilities	702,602	-	-	-	-
Borrowings	5,581,271	-	-	-	-
Subtotal	8,597,307	-	-	-	-
Total	<u>\$ 8,694,212</u>	<u>-</u>	<u>1,190</u>	<u>95,715</u>	<u>96,905</u>
		September 30, 2024			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Beneficiary certificates	\$ 100,074	100,074	-	-	100,074
Currency forward contracts	2,044	-	2,044	-	2,044
Fund in foreign markets	39,616	-	-	39,616	39,616
Subtotal	141,734	100,074	2,044	39,616	141,734
Financial assets measured at amortized cost					
Cash and cash equivalents	2,552,966	-	-	-	-
Notes and accounts receivable	3,016,732	-	-	-	-
Other receivables	90,815	-	-	-	-
Other financial assets (including current and non-current)	883,518	-	-	-	-
Subtotal	6,544,031	-	-	-	-
Total	<u>\$ 6,685,765</u>	<u>100,074</u>	<u>2,044</u>	<u>39,616</u>	<u>141,734</u>
Financial liabilities at fair value through profit or loss					
Forward foreign exchange contract	\$ 664	-	664	-	664
Contingent Consideration in a Business Combination	77,301	-	-	77,301	77,301
Subtotal	77,965	-	664	77,301	77,965
Financial liabilities measured at amortized cost					
Accounts payable	1,428,530	-	-	-	-
Other payables	923,007	-	-	-	-
Lease liabilities	557,759	-	-	-	-
Borrowings	3,129,689	-	-	-	-
Subtotal	6,038,985	-	-	-	-
Total	<u>\$ 6,116,950</u>	<u>-</u>	<u>664</u>	<u>77,301</u>	<u>77,965</u>

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Notes to the Consolidated Financial Statements

2) Valuation techniques of financial instruments measured at fair value

a) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the consolidated balance sheet date.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

3) Fair value hierarchy transfer

There was no transfer from one level to another for the nine months ended September 30, 2025 and 2024.

4) Reconciliation of Level 3 fair values

	Financial assets at fair value through profit or loss
Opening balance, January 1, 2025	\$ 66,152
Total gains or losses	
Recognized in profit or loss	(4,612)
Purchased	39,662
Ending balance, September 30, 2025	<u><u>\$ 101,202</u></u>

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	Financial assets at fair value through profit or loss
Opening balance, January 1, 2024	\$ 22,383
Total gains or losses	
Recognized in profit or loss	(3,034)
Purchased	20,267
Ending balance, September 30, 2024	<u><u>\$ 39,616</u></u>

nine months ended September 30, 2025 and 2024, the total gains and losses that were included in "other gains and losses" were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Total gains or losses				
Recognized in profit or loss (presented in "other gains and losses")	\$ 3,587	(2,733)	(4,612)	(3,034)

5) Quantified information on significant unobservable inputs Level 3 used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure the fair value include the financial assets at fair value through profit and loss.

The Group's financial instruments that use Level 3 inputs have only one significant unobservable input.

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through profit and loss – fund in foreign markets	Net Asset Value Method	Net Asset Value	The higher the net asset value is, the higher the estimated fair value would be.
Financial liabilities at fair value through profit and loss – Contingent consideration agreement	Option evaluation model	Volatility, risk-free rate, risk discount rate and number of years remaining to maturity	

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(w) Financial risk management

There were no significant changes with purpose and policy of financial risk management for the year ended December 31, 2024.

(x) Capital management

Management believes that there were no changes in the Group's approach to the targets, policies and procedures in capital management as disclosed in the consolidated financial statements for the year ended December 31, 2024. Also, they believe that for the nine months ended September 30, 2025, there were also no changes in the Group's capital management information. Please refer to the consolidated financial statements for the year ended December 31, 2024 for other related information.

(y) Investing and financing activities not affecting current cash flow

The Group did not have investing and financing activities which did not affect the current cash flow in the nine months ended September 30, 2025 and 2024.

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Non-cash changes			September 30, 2025
			Foreign exchange movement	Other	Changes in lease payments	
Short-term borrowings	\$ 2,286,701	(511,915)	-	-	-	1,774,786
Long-term borrowings	3,294,570	260,666	1,112	-	-	3,556,348
Lease liabilities	702,602	(147,660)	(5,657)	30,708	17,231	597,224
Deposit received	1,970	(705)	-	-	-	1,265
Total liabilities from financing activities	<u>\$ 6,285,843</u>	<u>(399,614)</u>	<u>(4,545)</u>	<u>30,708</u>	<u>17,231</u>	<u>5,929,623</u>

	January 1, 2024	Cash flows	Non-cash changes			September 30, 2024
			Foreign exchange movement	Other	Changes in lease payments	
Short-term borrowings	\$ 1,621,395	440,280	-	-	-	2,061,675
Long-term borrowings	1,147,420	(79,769)	363	-	-	1,068,014
Lease liabilities	170,263	(96,646)	(16,983)	19,965	481,160	557,759
Deposit received	1,971	81	-	-	-	2,052
Total liabilities from financing activities	<u>\$ 2,941,049</u>	<u>263,946</u>	<u>(16,620)</u>	<u>19,965</u>	<u>481,160</u>	<u>3,689,500</u>

(Continued)

TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

(7) Related-party transactions:

(a) Related-party transactions

The Company is the ultimate controlling party of the Consolidated Company.

(b) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Short-term employment benefits	\$ 41,766	41,274	132,285	137,083
Post-employment benefits	677	572	1,926	1,770
Share-based payment	1,365	1,404	4,003	4,112
	<u>\$ 43,808</u>	<u>43,250</u>	<u>138,214</u>	<u>142,965</u>

Please refer to note 6(q) for explanation related to share-based payment.

(8) Pledged assets:

The carrying amounts of assets provided by the Group pledged as security were as follows:

Assets pledged as security	Liabilities secured by pledge	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment	Borrowing	<u>\$ 67,586</u>	<u>82,052</u>	<u>85,621</u>

(9) Commitments and contingencies:

The guarantee notes provided by the Group to the banks were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
NTD	\$ 3,320,480	2,370,000	2,370,000
USD	32,330	22,300	22,300

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(Continued)

TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

(12) Other:

- (a) The information on employee benefits, depreciation, and amortization expenses, by function, is summarized as follows:

By item	For the three months ended September 30, 2025			For the three months ended September 30, 2024		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salary	269,916	464,525	734,441	285,465	376,829	662,294
Labor and health insurance	27,116	28,961	56,077	31,905	33,104	65,009
Pension	19,109	21,845	40,954	17,871	13,732	31,603
Remuneration of directors	-	10,544	10,544	-	6,244	6,244
Others	22,833	20,550	43,383	22,240	11,689	33,929
Depreciation	226,753	(7,526)	219,227	196,713	32,426	229,139
Amortization	1,470	37,477	38,947	4,057	24,738	28,795

By item	For the nine months ended September 30, 2025			For the nine months ended September 30, 2024		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salary	854,001	1,370,612	2,224,613	841,749	1,095,113	1,936,862
Labor and health insurance	89,297	102,276	191,573	93,969	97,539	191,508
Pension	56,916	66,716	123,632	53,459	39,938	93,397
Remuneration of directors	-	26,675	26,675	-	22,886	22,886
Others	68,790	63,142	131,932	69,125	39,013	108,138
Depreciation	567,188	110,618	677,806	575,290	93,850	669,140
Amortization	5,253	155,861	161,114	11,458	71,950	83,408

- (b) Seasonality of operation

The Group's operations are not affected by seasonal or cyclical factors.

(Continued)

TAIWAN SEMICONDUCTOR CO., LTD.

Notes to Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the nine months ended September 30, 2025:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number (Note 1)	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period (Note 5)	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 3)	Maximum limit of fund financing (Note 4)
													Item	Value		
1	TSC Auto ID	TSCAE	Other receivables-related party	Yes	36,400	-	-	5.00 %	2	-	Repayment of bank loans	-	None	-	1,005,379	2,010,758
1	TSC Auto ID	TSCAE	Other receivables-related party	Yes	182,000	178,850	128,772	5.00 %	2	-	Repayment of bank loans	-	None	-	1,005,379	2,010,758
1	TSC Auto ID	MGN	Other receivables-related party	Yes	218,400	214,620	191,906	3.00 %	2	-	Repayment of bank loans	-	None	-	1,005,379	2,010,758
1	TSC Auto ID	MGN	Other receivables-related party	Yes	218,400	214,620	-	3.00 %	2	-	Repayment of bank loans	-	None	-	1,005,379	2,010,758
1	TSC Auto ID	TSCPL	Other receivables-related party	Yes	69,160	67,963	32,193	5.00 %	2	-	Repayment of bank loans	-	None	-	1,005,379	2,010,758
2	BB	BBDE	Other receivables-related party	Yes	3,640	3,577	-	4.60 %	2	-	Repayment of bank loans	-	None	-	1,005,379	2,010,758
2	BB	BBDE	Other receivables-related party	Yes	3,640	3,577	1,789	4.60 %	2	-	Repayment of bank loans	1,789	None	-	1,005,379	2,010,758
2	BB	BBES	Other receivables-related party	Yes	218	215	215	4.60 %	2	-	Repayment of bank loans	215	None	-	1,005,379	2,010,758
2	BB	BBES	Other receivables-related party	Yes	331	326	326	4.60 %	2	-	Repayment of bank loans	326	None	-	1,005,379	2,010,758
2	BB	BBMX	Other receivables-related party	Yes	2,656	2,436	2,436	4.60 %	2	-	Repayment of bank loans	-	None	-	1,005,379	2,010,758
3	DLS	TSC Auto ID	Other receivables-related party	Yes	199,230	182,670	121,780	5.00 %	2	-	Repayment of bank loans	-	None	-	1,005,379	2,010,758

Note1: A. 0 is for the Company.

B. Subsidiaries are numbered in order from 1.

Note 2: No.2 refers to those who have the need for short-term financing.

Note 3: The maximum amount of loans to an individual short-term financing company or a foreign company where TSC Auto ID directly holds its entire voting rights, is 20% of TSC Auto ID's net worth.

Note 4: The total maximum amount of loans to a company or foreign company where TSC Auto ID directly holds its entire voting rights, is 40% of TSC Auto ID's net worth.

Note 5: Conversion at the exchange rate of NTD 33.205 to USD on March 31, 2025 and NTD 36.40 to EUR on April 30, 2025.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No. (Note1)	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 3)	Highest balance for guarantees and endorsements during the period (Note 5)	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 4)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements / guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 2)										
1	TSC Auto ID	TSCAA	2	2,010,758	199,230	182,670	-	-	3.96 %	3,016,137	Y	N	N

Note1 : A. 0 is for the Company.

B. Subsidiaries are numbered in order from 1.

Note 2: No.2 refers to companies that directly and indirectly hold more than 50% shares of voting rights.

Note 3: Limitation on amount of guarantees and endorsements for a specific enterprise is 40% of TSC Auto ID's net asset.

Note 4: Limitation on amount of guarantees and endorsement in total is 60% of TSC Auto ID's net asset.

Note 5: Conversion at the exchange rate of NTD 33.205 to USD on March 31, 2025.

(Continued)

TAIWAN SEMICONDUCTOR CO., LTD.

Notes to Consolidated Financial Statements

- (iii) Securities held as of September 30, 2025 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Achi Capital Partners Fund LP	-	Financial assets at fair value through profit or loss-non-current	-	101,202	-	101,202	

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms (Note 1)	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	TSCJ	Subsidiary	Sale	(258,537)	(2) %		-		67,121	2%	
The Company	TSCH	Subsidiary	Sale	(388,264)	(3) %		-		184,384	5%	
The Company	TSCA	Sub-subsidiary	Sale	(322,463)	(2) %		-		221,532	7%	
The Company	TSCC	Sub-subsidiary	Sale	(222,538)	(2) %		-		12,070	-%	(Note 2)
The Company	TSCC	Sub-subsidiary	Purchase	168,806	2 %		-		-	-%	
The Company	Yangxin Everwell	Sub-subsidiary	Purchase	1,418,673	15 %		-		(575,461)	(37)%	(Note 2)
The Company	Tianjin Everwell	Sub-subsidiary	Purchase	213,539	2 %		-		(18,656)	(1)%	
TSC Auto ID	TSCAE	Subsidiary	Sale	(623,285)	(5) %		-		836,851	25%	
TSC Auto ID	TSCAA	Subsidiary	Sale	(474,535)	(3) %		-		498,905	15%	
TSC Auto ID	TTSC	Subsidiary	Sale	(270,982)	(2) %		-		151,868	5%	
TSC Auto ID	TTSC	Subsidiary	Purchase	817,561	8 %		-		(419,484)	(27)%	

Note 1: Open Account 30~135 days. Adjustments depend on demand for funds when necessary.

Note 2: Accounts receivable (payable) presents at net amount.

- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 1)	Allowance for bad debts
					Amount	Action taken		
The Company	TSCH	Subsidiary	184,384	2.63 %	-		40,220	-
The Company	TSCA	Sub-subsidiary	221,532	2.33 %	-		36,470	-
Yangxin Everwell	The Company	Sub-subsidiary	575,461	4.27 %	-		141,506	-
TSC Auto ID	TSCAE	Subsidiary	836,851	1.19 %	312,249		46,644	-
TSC Auto ID	TSCAA	Subsidiary	498,905	1.45 %	149,837		84,434	-
TSC Auto ID	TTSC	Subsidiary	151,868	4.28 %	22,850		46,207	-
TSC Auto ID	MGN	Subsidiary	194,992	- %	-		-	-
TTSC	TSC Auto ID	Subsidiary	419,484	2.95 %	-		110,435	-

Note 1: Amount Collected as of October 31, 2025

(Continued)

TAIWAN SEMICONDUCTOR CO., LTD.

Notes to Consolidated Financial Statements

(vi) Business relationships and significant intercompany transactions:

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	TSCE	1	Selling expenses-commission	90,456	Monthly payment	0.65%
0	The Company	TSCE	1	Accrued expenses	16,654		0.08%
0	The Company	TSCJ	1	Sales revenue	258,537	Note 3	1.85%
0	The Company	TSCJ	1	Accounts receivable	67,121		0.33%
0	The Company	TSCH	1	Sales revenue	388,264	Monthly payment	2.78%
0	The Company	TSCH	1	Accounts receivable	184,384		0.90%
0	The Company	TSCH	1	Other receivables	556		-%
0	The Company	TSCH	1	Accrued expenses	86		-%
0	The Company	TSCA	1	Sales revenue	322,463	Note 3	2.31%
0	The Company	TSCA	1	Selling expenses-commission	3,258		0.02%
0	The Company	TSCA	1	Accounts receivable	221,532		1.08%
0	The Company	TSCA	1	Other receivables	9,960		0.05%
0	The Company	TSCA	1	Accrued expenses	1,502		0.01%
0	The Company	TSCC	1	Sales revenue	222,538	Monthly payment	1.59%
0	The Company	TSCC	1	Accounts receivable	72,602		0.36%
0	The Company	TSCC	1	Other receivables	74		-%
0	The Company	TSCC	1	Purchase	168,806		1.21%
0	The Company	TSCC	1	Accounts payable	60,532		0.30%
0	The Company	Yangxin Everwell	1	Purchase	1,418,673	Note 4	10.14%
0	The Company	Yangxin Everwell	1	Accounts payable	575,461	Note 5	2.82%
0	The Company	Tianjin Everwell	1	Purchase	213,539		4.78%
0	The Company	Tianjin Everwell	1	Accounts payable	18,656		0.09%
0	The Company	Tianjin Everwell	1	Other payable	59,891		0.29%
1	Yangxin Everwell	TSCC	3	Sales revenue	870,213	Note 3	6.22%
1	Yangxin Everwell	TSCC	3	Accounts receivable	285,913		1.40%
1	Tianjin Everwell	Yangxin Everwell	3	Sales revenue	184,499	Note 3	1.32%

Note 1 : Representations of No. are as below:

- A. 0 is for the Company.
- B. Subsidiaries are numbered in order from 1.

Note 2: Categories of relationship with traders are as below:

- A. Parent company to subsidiary.
- B. Subsidiary to parent company.
- C. Subsidiary to subsidiary.

Note 3: Sales price is based on general market price. Collecting period is open account 90~180 days.

Note 4: Processing cost is based on cost-plus approach. Collecting period is open account 90~180 days.

Note 5: Payments due on open account 180 days after purchase.

(b) Information on investees:

The following is the information on investees for the nine months ended September 30, 2025:

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value (Note 6)			
The Company	Ever Energetic	British Virgin Islands	Holding company and general import and export business	665,501	665,501	21,175	100.00 %	1,417,269	(238)	(238) (Note 2)	Subsidiary
The Company	Ever Winner	British Virgin Islands	Holding company and general import and export business	465,127	465,127	16,010	100.00 %	1,858,448	167,068	167,068 (Note 2)	Subsidiary
The Company	Skyrise	British Virgin Islands	Holding company and general import and export business	2,845	2,845	50	100.00 %	1,632	(178)	(178) (Note 2)	Subsidiary
The Company	TSCE	Germany	General import and export business	10,972	10,972	-	100.00 %	59,578	(3,225)	(3,225) (Note 2)	Subsidiary
The Company	TSCJ	Japan	Trading of rectifiers	28,689	28,689	2	100.00 %	142,734	10,732	10,732 (Note 1)	Subsidiary

(Continued)

TAIWAN SEMICONDUCTOR CO., LTD.
Notes to Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value (Note 6)			
The Company	TSCH	Hong Kong	Holding company and trading of rectifiers	282,312	282,312	672	25.22 %	616,171	148,180	15,519 (Note 2)	Subsidiary
The Company	TSC Auto ID	Taiwan	Manufacture and sale of bar code printers	163,728	163,728	16,995	35.74 %	1,084,153	660,199	203,915 (Note 1)	Subsidiary
Ever Energetic	TSCA	United States	Trading of rectifiers	258,520	258,520	6,750	75.00 %	144,457	(73,175)	(54,881) (Note 2)	Subsidiary
Ever Energetic	TSCH	Hong Kong	Holding company and trading of rectifiers	571,628	571,628	985	36.96 %	1,219,387	148,180	54,768 (Note 2)	Subsidiary
Ever Winner	TSCA	United States	Trading of rectifiers	83,813	83,813	2,250	25.00 %	48,152	(73,175)	(18,294) (Note 2)	Subsidiary
Ever Winner	TSCC	China	Trading of rectifiers	4,461	4,461	-	100.00 %	494,510	129,412	129,412 (Note 2)	Subsidiary
Ever Winner	TSCH	Hong Kong	Holding company and trading of rectifiers	792,254	792,254	1,008	37.82 %	1,247,760	148,180	56,042 (Note 2)	Subsidiary
TSCH	Yangxin Everwell	China	Manufacture and sale of rectifiers	966,119	966,119	-	100.00 %	2,418,291	132,343	132,343 (Note 1)	Subsidiary
TSCH	Tianjin Everwell	China	Manufacture and sale of wafers	787,044	787,044	-	100.00 %	604,765	(10,500)	(10,500) (Note 2)	Subsidiary
TSC Auto ID	TSCAE	Germany	Trading of bar code printers and other parts	2,943	2,943	- (Note 3)	100.00 %	(87,604)	(78,335)	(78,335) (Note 1)	Subsidiary
TSC Auto ID	TSCAA	United States	Trading of bar code printers and other parts	1,096,621	1,096,621	16,000	100.00 %	1,118,569	(10,469)	(10,469) (Note 1)	Subsidiary
TSC Auto ID	TSC HK	Hong Kong	Holdind company and general import and export business	47,468	47,468	12,711	100.00 %	662,827	4,088	4,088 (Note 1)	Subsidiary
TSC Auto ID	DLS	United States	Customization of design, integration and marketing of label papers and other parts	801,558	801,558	1	100.00 %	1,474,117	50,789	50,789 (Note 1)	Subsidiary
TSC Auto ID	TSCIN	India	Trading of bar code printers and other parts	2,791	2,791	710	100.00 %	2,295	675	675 (Note 1)	Subsidiary
TSC Auto ID	TSCPL	Poland	General investment	498,827	498,827	- (Note 4)	100.00 %	487,850	(5,780)	(5,780) (Note 1)	Subsidiary
TSC Auto ID	BB	South Korea	Production and sales of mobile computers and their parts for enterprise	2,856,995	2,783,490	7,010	99.85 %	2,915,711	315,235	197,030 (Note 2)	Subsidiary
TSC Auto ID	BBMX	Mexico	Production and sales of mobile computers and their parts for enterprise	- (Note 5)	- (Note 5)	- (Note 3)	0.03 %	(28)	307	- (Note 2)	Subsidiary
TSCAE	TSCAD	United Arab Emirates	Trading of bar code printers and other parts	8,234	8,234	- (Note 3)	100.00 %	(15,900)	(998)	(998) (Note 1)	Subsidiary
TSCAE	TSCAS	Spain	Trading of bar code printers and other parts	124	124	- (Note 3)	100.00 %	3,756	337	337 (Note 1)	Subsidiary
DLS	PPL	United States	Sale of bar code printer, label papers, other parts	115 (thousands USD)	115 (thousands USD)	850	100.00 %	52,899	5,763	5,763 (Note 1)	Subsidiary
TSCPL	MGN	Poland	Customization of design, integration and marketing of label papers and other parts	71,613 (thousands PLN)	71,613 (thousands PLN)	2	100.00 %	183,188	2,293	2,293 (Note 1)	Subsidiary
TSC HK	TTSC	China	Manufacture and sale of bar code printers and other parts	45,668	45,668	-	100.00 %	754,428	14,847	14,847 (Note 1)	Subsidiary
BB	BBMX	Mexico	Production and sales of mobile computers and their parts for enterprise	5	5	- (Note 3)	99.97 %	5	307	307 (Note 2)	Subsidiary
BB	BBUS	United States	Production and sales of mobile computers and their parts for enterprise	2,920	2,920	- (Note 4)	100.00 %	-	(33)	(33) (Note 2)	Subsidiary
BB	BBIN	India	Research and development, and design of mobile computers for enterprise use, and technical services	4,078	4,078	990	99.00 %	5,152	(491)	(486) (Note 2)	Subsidiary
BB	BBDE	Germany	Production and sales of mobile computers and their parts for enterprise	756	756	- (Note 3)	100.00 %	-	2,918	2,918 (Note 2)	Subsidiary
BB	BBES	Spain	Production and sales of mobile computers and their parts for enterprise	1,265	1,265	- (Note 3)	100.00 %	1,094	(157)	(157) (Note 2)	Subsidiary
BB	BBJP	Japan	Production and sales of mobile computers and their parts for enterprise	2,086	-	- (Note 3)	100.00 %	2,090	(128)	(128) (Note 2)	Subsidiary

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TAIWAN SEMICONDUCTOR CO., LTD.
Notes to Consolidated Financial Statements

Note 1: The amount was calculated using the equity method according to investee’s reviewed financial report.

Note 2: The amount was calculated using the equity method according to investee’s non-reviewed financial report.

Note 3: The company’s business license only specifies the amount of capital invested, without indicating the number of shares.

Note 4: The number of shares held is less than one thousand.

Note 5: The amount is less than \$1,000.

Note 6: The carrying value represents the net of unrealized intercompany profit.

(c) Information on overseas branches and representative offices:

(i) The names of investees in China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
TSCC	Trading of rectifiers	4,461	(2)	4,461	-	-	4,461	129,412	100.00%	129,412	494,510	611,860
Yangxin Everwell	Manufacture and sale of rectifiers	1,667,160	(2)	628,196	-	-	628,196	132,343	100.00%	132,343	2,418,291	250,864
Tianjin Everwell	Manufacture and sale of wafers	387,173	(2)	387,173	-	-	387,173	(10,500)	100.00%	(10,500)	604,765	452,102
TTSC	Manufacture and sale of bar code printers and other parts	44,846	(2)	45,668	-	-	45,668	14,847	35.74%	5,306	754,428	998,407

Note 1: No.2 refers to investing in China companies through reinvesting in existing companies in the third region.

(ii) Limitation on investment in China:

Accumulated Investment in China as of September 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
1,035,448	2,039,316	4,305,607

Note : Achi Capital Partners Fund LP, an investee of the Company, shifted to invest in China. Therefore, the Company increased USD 773 thousand of the investment amount authorized by the Investment Commission MOEA. Another additional investment of NTD 8,160 thousand (USD 268 thousand) has been remitted and is currently under review by the Investment Commission MOEA.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

(14) Segment information:

For the three months ended September 30				
2025				
	Rectifiers	Bar Code Printers	Adjustments and eliminations	Total
Revenue:				
Revenue from external customers	\$ 1,602,438	2,747,565	-	4,350,003
Intersegment revenues	1,351,821	88	(1,351,909)	-
Total revenue	<u>\$ 2,954,259</u>	<u>2,747,653</u>	<u>(1,351,909)</u>	<u>4,350,003</u>
Reported segment profit and loss	<u>\$ 87,190</u>	<u>342,444</u>	<u>(368)</u>	<u>429,266</u>
For the three months ended September 30				
2024				
	Rectifiers	Bar Code Printers	Adjustments and eliminations	Total
Revenue:				
Revenue from external customers	\$ 1,610,177	2,228,028	-	3,838,205
Intersegment revenues	1,363,088	18	(1,363,106)	-
Total revenue	<u>\$ 2,973,265</u>	<u>2,228,046</u>	<u>(1,363,106)</u>	<u>3,838,205</u>
Reported segment profit and loss	<u>\$ 59,964</u>	<u>199,336</u>	<u>-</u>	<u>259,300</u>
For the nine months ended September 30				
2025				
	Rectifiers	Bar Code Printers	Adjustments and eliminations	Total
Revenue:				
Revenue from external customers	\$ 4,881,121	8,685,164	-	13,566,285
Intersegment revenues	4,138,216	122	(4,138,338)	-
Total revenue	<u>\$ 9,019,337</u>	<u>8,685,286</u>	<u>(4,138,338)</u>	<u>13,566,285</u>
Reported segment profit and loss	<u>\$ 201,308</u>	<u>847,407</u>	<u>(32,288)</u>	<u>1,016,427</u>
For the nine months ended September 30				
2024				
	Rectifiers	Bar Code Printers	Adjustments and eliminations	Total
Revenue:				
Revenue from external customers	\$ 4,414,950	6,172,463	-	10,587,413
Intersegment revenues	3,957,499	52	(3,957,551)	-
Total revenue	<u>\$ 8,372,449</u>	<u>6,172,515</u>	<u>(3,957,551)</u>	<u>10,587,413</u>
Reported segment profit and loss	<u>\$ 266,064</u>	<u>717,019</u>	<u>(31,920)</u>	<u>951,163</u>

(Continued)

TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

	<u>Rectifiers</u>	<u>Bar Code Printers</u>	<u>Adjustments and eliminations</u>	<u>Total</u>
Reported segment assets				
September 30, 2025	\$ <u>21,996,965</u>	<u>12,384,465</u>	<u>(13,945,993)</u>	<u>20,435,437</u>
December 31, 2024	\$ <u>22,889,535</u>	<u>12,705,863</u>	<u>(14,055,356)</u>	<u>21,540,042</u>
September 30, 2024	\$ <u>22,718,726</u>	<u>9,616,640</u>	<u>(14,051,039)</u>	<u>18,284,327</u>