

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

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024**

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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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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 March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows, for the three months ended March 31, 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 \$5,249,981 thousand and \$2,581,952 thousand, constituting 24.37% and 14.69% of the consolidated total assets; and the total liabilities amounting to \$943,168 thousand and \$353,333 thousand, constituting 9.30% and 5.38% of the consolidated total liabilities as of March 31, 2025 and 2024, respectively; as well as total comprehensive income (loss) amounting to \$66,193 thousand and \$(20,010) thousand, constituting 15.20% and (5.10)% of the consolidated total comprehensive income (loss) for the three months ended March 31, 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 March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 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.

Emphasis of Matter

TSC Auto ID acquired 100% equity in MGN sp. z o.o. on June 12, 2023, since the evaluation of the identifiable net assets obtained from the business combination was completed in the second quarter of 2024, the original accounting treatment and provisional amount from the acquisition date were adjusted according to the purchase price allocation report, and the information for the comparative period was retrospectively restated. Our opinion is not modified in respect of this matter. Please refer to note 6 (i).

Other Matter

We did not review the financial statements 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 TSC Auto ID reflect total assets amounting to \$9,467,471 thousand and \$7,866,371 thousand, constituting 43.95% and 44.76% of the consolidated total assets as of March 31, 2025 and 2024, respectively; and the total revenues amounting to \$2,084,037 thousand and \$1,875,469 thousand, constituting 46.23% and 59.15% of the consolidated total revenues for the three months ended March 31, 2025 and 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)
May 9, 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

March 31, 2025, December 31, 2024, and March 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2025		December 31, 2024		March 31, 2024 (restated)				March 31, 2025		December 31, 2024		March 31, 2024 (restated)	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 3,652,300	17	3,524,621	16	3,085,313	18	2100	Short-term borrowings (note 6(j))	\$ 2,079,130	10	2,286,701	11	1,209,309	7
1110	Current financial assets at fair value through profit or loss (note 6(b))	90,325	-	20,132	-	240,442	1	2120	Current financial liabilities at fair value through profit or loss (note 6(b))	66,736	-	70,121	-	3,355	-
1150	Notes receivable, net (note 6(c) and (r))	292	-	12	-	53	-	2170	Accounts payable	1,550,308	7	1,374,344	6	1,347,115	8
1170	Accounts receivable, net (note 6(c) and (r))	3,578,008	17	3,365,399	16	2,470,658	14	2200	Other payables (note 6(l))	721,660	3	939,090	4	810,673	4
1200	Other receivables	119,019	1	92,526	-	58,277	-	2230	Current tax liabilities	283,215	1	262,800	1	298,505	2
1220	Current tax assets	93,276	-	92,323	-	20,918	-	2322	Long-term borrowings, current portion (note 6(k))	274,218	1	314,125	1	265,838	1
130X	Inventories (note 6(d))	3,896,880	18	3,878,007	18	3,503,597	20	2280	Lease liabilities, current (note 6(m))	142,064	1	134,573	1	109,818	1
1410	Prepayments	315,096	1	336,591	2	177,737	1	2399	Other current liabilities	<u>350,763</u>	<u>2</u>	<u>366,583</u>	<u>2</u>	<u>295,823</u>	<u>2</u>
1470	Other current assets	13,616	-	21,671	-	-	-			<u>5,468,094</u>	<u>25</u>	<u>5,748,337</u>	<u>26</u>	<u>4,340,436</u>	<u>25</u>
1476	Other current financial assets (note 6(b))	<u>-</u>	<u>-</u>	<u>401,899</u>	<u>2</u>	<u>-</u>	<u>-</u>	Non-Current liabilities:							
		<u>11,758,812</u>	<u>54</u>	<u>11,733,181</u>	<u>54</u>	<u>9,556,995</u>	<u>54</u>	2500	Non-current financial liabilities at fair value through profit or loss (note 6(b))	28,848	-	26,784	-	-	-
Non-current assets:								2540	Long-term borrowings (note 6(k))	2,828,890	13	2,980,445	14	928,994	5
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	90,955	-	66,152	-	21,754	-	2580	Lease liabilities, non-current (note 6(m))	549,955	3	568,029	3	242,233	1
1600	Property, plant and equipment (note 6(f))	4,399,668	21	4,414,437	21	4,424,673	25	2640	Net defined benefit liabilities, non-current	22,419	-	21,033	-	39,259	-
1755	Right-of-use assets (note 6(g))	665,740	3	701,081	4	365,803	2	2570	Deferred tax liabilities	1,192,474	6	1,188,571	6	956,041	6
1822	Intangible assets (note 6(h))	1,131,887	5	1,148,483	5	518,607	3	2670	Other non-current liabilities	<u>55,541</u>	<u>-</u>	<u>62,216</u>	<u>-</u>	<u>63,610</u>	<u>-</u>
1805	Goodwill (note 6(i))	2,069,299	10	2,029,444	10	1,389,405	8			<u>4,678,127</u>	<u>22</u>	<u>4,847,078</u>	<u>23</u>	<u>2,230,137</u>	<u>12</u>
1840	Deferred tax assets	722,531	4	729,049	3	521,972	3	Total liabilities		<u>10,146,221</u>	<u>47</u>	<u>10,595,415</u>	<u>49</u>	<u>6,570,573</u>	<u>37</u>
1980	Other non-current financial assets (note 6(b))	270,561	1	281,206	1	407,283	3	Stockholder' equity attributable to parent:							
1990	Other non-current assets	<u>433,937</u>	<u>2</u>	<u>437,009</u>	<u>2</u>	<u>366,939</u>	<u>2</u>	(note 6(p))							
		<u>9,784,578</u>	<u>46</u>	<u>9,806,861</u>	<u>46</u>	<u>8,016,436</u>	<u>46</u>	3110	Common stock	2,634,854	12	2,634,854	12	2,634,854	15
								3200	Capital surplus	2,255,885	11	2,252,984	11	2,213,872	13
								3300	Retained earnings	3,867,547	18	3,751,072	17	3,921,426	22
								3400	Other stockholders' equity	(114,936)	(1)	(244,678)	(1)	(299,242)	(2)
								3500	Treasury shares	<u>(599,878)</u>	<u>(3)</u>	<u>(599,878)</u>	<u>(3)</u>	<u>(599,878)</u>	<u>(3)</u>
										<u>8,043,472</u>	<u>37</u>	<u>7,794,354</u>	<u>36</u>	<u>7,871,032</u>	<u>45</u>
								Total equity attributable to owners of parent		<u>3,353,697</u>	<u>16</u>	<u>3,150,273</u>	<u>15</u>	<u>3,131,826</u>	<u>18</u>
								36XX	Non-controlling interests (note 6(e))	<u>11,397,169</u>	<u>53</u>	<u>10,944,627</u>	<u>51</u>	<u>11,002,858</u>	<u>63</u>
										<u>21,543,390</u>	<u>100</u>	<u>21,540,042</u>	<u>100</u>	<u>17,573,431</u>	<u>100</u>
Total assets		<u>\$ 21,543,390</u>	<u>100</u>	<u>21,540,042</u>	<u>100</u>	<u>17,573,431</u>	<u>100</u>	Total liabilities and equity		<u>\$ 21,543,390</u>	<u>100</u>	<u>21,540,042</u>	<u>100</u>	<u>17,573,431</u>	<u>100</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 Comprehensive Income****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		For the three months ended March 31			
		2025		2024 (restated)	
		Amount	%	Amount	%
4110	Total sales revenue (note 6(r))	\$ 4,636,794	103	3,308,502	104
4190	Less: Sales discounts and allowances	<u>128,936</u>	<u>3</u>	<u>137,642</u>	<u>4</u>
	Net operating revenues	4,507,858	100	3,170,860	100
5000	Cost of goods sold (note 6(d))	<u>3,284,622</u>	<u>73</u>	<u>2,269,411</u>	<u>72</u>
	Gross profit	<u>1,223,236</u>	<u>27</u>	<u>901,449</u>	<u>28</u>
6000	Operating expenses (notes 6(n) and (t)):				
6100	Selling expenses	493,064	11	365,909	12
6200	Administrative expenses	227,755	5	201,255	6
6300	Research and development expenses	196,603	4	97,714	3
6450	Expected credit losses (note 6(c))	<u>2,093</u>	<u>-</u>	<u>450</u>	<u>-</u>
		<u>919,515</u>	<u>20</u>	<u>665,328</u>	<u>21</u>
	Operating income	<u>303,721</u>	<u>7</u>	<u>236,121</u>	<u>7</u>
	Non-operating income and expenses (note 6(s)):				
7100	Interest income	6,259	-	6,606	-
7010	Other income	9,626	-	11,701	-
7020	Other gains and losses	52,680	1	61,393	2
7050	Finance costs	<u>(49,737)</u>	<u>(1)</u>	<u>(20,665)</u>	<u>-</u>
		<u>18,828</u>	<u>-</u>	<u>59,035</u>	<u>2</u>
	Profit before income tax	322,549	7	295,156	9
7950	Less: Income tax expenses (note 6(o))	<u>86,500</u>	<u>2</u>	<u>88,376</u>	<u>2</u>
	Profit	<u>236,049</u>	<u>5</u>	<u>206,780</u>	<u>7</u>
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	226,056	5	211,222	6
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(o))	<u>(26,615)</u>	<u>(1)</u>	<u>(25,555)</u>	<u>(1)</u>
8300	Other comprehensive income (after tax)	<u>199,441</u>	<u>4</u>	<u>185,667</u>	<u>5</u>
	Total comprehensive income	<u>\$ 435,490</u>	<u>9</u>	<u>392,447</u>	<u>12</u>
	Net income attributable to:				
	Owners of the parent	\$ 116,475	2	104,563	4
	Non-controlling interests (note 6(e))	<u>119,574</u>	<u>3</u>	<u>102,217</u>	<u>3</u>
		<u>\$ 236,049</u>	<u>5</u>	<u>206,780</u>	<u>7</u>
	Total comprehensive income attributable to:				
	Owners of the parent	\$ 246,217	5	224,851	7
	Non-controlling interests (note 6(e))	<u>189,273</u>	<u>4</u>	<u>167,596</u>	<u>5</u>
		<u>\$ 435,490</u>	<u>9</u>	<u>392,447</u>	<u>12</u>
	Basic earnings per common share (NT dollars) (note 6(u))	<u>\$ 0.47</u>		<u>0.42</u>	
	Diluted earnings per common share (NT dollars) (note 6(u))	<u>\$ 0.47</u>		<u>0.42</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 three months ended March 31, 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(restated)	-	-	-	-	104,563	104,563	-	-	104,563	102,217	206,780
Other comprehensive income(restated)	-	-	-	-	-	-	120,288	-	120,288	65,379	185,667
Total comprehensive income	-	-	-	-	104,563	104,563	120,288	-	224,851	167,596	392,447
Subsidiaries purchase of treasury shares	-	-	-	-	-	-	-	(93,835)	(93,835)	-	(93,835)
Changes in equity of affiliate accounted for using equity method	-	4,621	-	-	-	-	-	-	4,621	-	4,621
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	157	157
Balance at March 31, 2024 (restated)	\$ 2,634,854	2,213,872	1,129,743	531,125	2,260,558	3,921,426	(299,242)	(599,878)	7,871,032	3,131,826	11,002,858
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	-	-	-	-	116,475	116,475	-	-	116,475	119,574	236,049
Other comprehensive income	-	-	-	-	-	-	129,742	-	129,742	69,699	199,441
Total comprehensive income	-	-	-	-	116,475	116,475	129,742	-	246,217	189,273	435,490
Changes in equity of affiliate accounted for using equity method	-	2,901	-	-	-	-	-	-	2,901	-	2,901
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	14,151	14,151
Balance at March 31, 2025	\$ 2,634,854	2,255,885	1,201,264	531,125	2,135,158	3,867,547	(114,936)	(599,878)	8,043,472	3,353,697	11,397,169

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 three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31	
	2025	2024 (restated)
Cash flows from (used in) operating activities:		
Profit before tax	\$ 322,549	295,156
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	232,187	217,762
Amortization expense	54,088	25,414
Expected credit losses	2,093	450
Net loss on financial assets or liabilities at fair value through profit or loss	476	6,229
Interest expense	49,302	20,270
Interest income	(6,259)	(6,606)
Losses on disposal of property, plant and equipment	2,064	879
Reversal of impairment gain on non-financial assets	(204)	(989)
Others	2,901	4,621
Total adjustments to reconcile profit (loss)	336,648	268,030
Changes in operating assets and liabilities:		
Increases and decreases in financial assets/liabilities at fair value through profit or loss	(73,075)	(217,084)
(Increase) decrease in notes receivable	(280)	254
(Increase) decrease in accounts receivable	(214,702)	104,558
(Increase) decrease in other receivables	(24,968)	13,824
Increase in inventories	(18,873)	(152,307)
(Increase) decrease in prepayments	18,886	(33,981)
Decrease in other current assets	8,055	-
(Increase) decrease in other financial assets	(4,750)	80,870
Increase (decrease) in accounts payable	175,964	(9,671)
Decrease in other payable	(217,512)	(200,551)
Increase (decrease) in other current liabilities	(19,142)	34,057
Increase (decrease) in net defined benefit liabilities	1,386	(76)
Increase (decrease) in other non-current liabilities	(7,063)	16,097
Total adjustments	(39,426)	(95,980)
Cash inflow generated from operations	283,123	199,176
Interest received	4,734	6,585
Interest paid	(36,375)	(17,026)
Income taxes paid	(56,617)	(2,210)
Net cash flows from operating activities	194,865	186,525
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	(23,718)	-
Acquisition of property, plant and equipment	(41,273)	(50,259)
Proceeds from disposal of property, plant and equipment	2,749	1,053
Acquisition of intangible assets	(8,876)	(5,199)
Decrease in other financial assets	417,294	14,936
(Increase) decrease in other non-current assets	(9,508)	43,132
Increase in prepayments for equipment	(70,230)	(84,210)
Net cash flows from (used in) investing activities	266,438	(80,547)
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	(207,571)	(412,086)
Proceeds from long-term borrowings	951,796	173,190
Repayments of long-term borrowings	(1,143,756)	(125,789)
Repayments of lease principals	(22,145)	(34,330)
Increase in guarantee deposits received	36	51
Repurchase of treasury shares	-	(93,835)
Change in non-controlling interests	14,151	157
Net cash flows used in financing activities	(407,489)	(492,642)
Effect of exchange rate changes on cash and cash equivalents	73,865	88,530
Net increase (decrease) in cash and cash equivalents	127,679	(298,134)
Cash and cash equivalents at the beginning of period	3,524,621	3,383,447
Cash and cash equivalents at the end of period	\$ 3,652,300	3,085,313

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

March 31, 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 May 9, 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

(Continued)

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

- (b) 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. • 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. 	January 1, 2027

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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 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(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
			March 31, 2025	December 31, 2024	March 31, 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
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 %	-

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Name of Investor	Name of subsidiary	Principal activity	Shareholding			Instruction
			March 31, 2025	December 31, 2024	March 31, 2024	
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	35.79 %	35.87 %	36.05 %	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	Printronic Auto ID Technology Co., Ltd. (Printronic 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 handheld computers and their parts for enterprise	96.54 %	96.54 %	-	Note 2 、 3
TSC Auto ID and BB	Bluebird Latin America S. de R.L. de CV (BBMX)	Production and sales of handheld 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 handheld 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 handheld computers for enterprise use, and technical services	99.00 %	99.00 %	-	Note 3
BB	Bluebird Germany GmbH (BBDE)	Production and sales of handheld computers and their parts for enterprise	100.00 %	100.00 %	-	Note 3
BB	Bluebird Europe SL (BBES)	Production and sales of handheld computers and their parts for enterprise	100.00 %	100.00 %	-	Note 3

Note 1 : In May 2024, Printronix AD's board of directors resolved to dissolve and liquidate one of its subsidiaries, which has been reported to the court thereafter.

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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 three months ended March 31, 2025 have not been reviewed by the certified public accountant.

Note 4 : TSC Auto ID is accounted for as a subsidiary in the consolidated financial statements since the Company has control over it.

(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.

(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.

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(a) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash and pretty cash	\$ 751	826	780
Checking and demand deposits	2,967,753	2,978,256	2,499,499
Time deposits	912,446	1,127,679	585,034
Less: Time deposits with an original maturity date of more than three months (note 6(b))	(228,650)	(582,140)	-
	<u><u>\$ 3,652,300</u></u>	<u><u>3,524,621</u></u>	<u><u>3,085,313</u></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:

	March 31, 2025	December 31, 2024	March 31, 2024
Current (financial assets):			
Mandatorily measured at fair value through profit or loss:			
Beneficiary certificates	\$ 90,325	20,089	240,165
Currency forward contracts	-	43	277
	<u><u>\$ 90,325</u></u>	<u><u>20,132</u></u>	<u><u>240,442</u></u>
Other financial assets:			
Time deposits with an original maturity date of more than three months to one year	\$ -	358,240	-
Other (note)	-	43,659	-
	<u><u>\$ -</u></u>	<u><u>401,899</u></u>	<u><u>-</u></u>
Mandatorily measured at fair value through profit or loss:			
Contingent consideration	\$ 64,350	68,931	-
Currency forward contracts	2,386	1,190	3,355
	<u><u>\$ 66,736</u></u>	<u><u>70,121</u></u>	<u><u>3,355</u></u>
Non-current (financial assets):			
Mandatorily measured at fair value through profit or loss:			
Fund in foreign markets	\$ 90,955	66,152	21,754

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	March 31, 2025	December 31, 2024	March 31, 2024
Other financial assets:			
Time deposits with an original maturity date of more than one year	\$ 228,650	223,900	308,560
Refundable deposits	41,911	57,306	52,753
Other	-	-	45,970
	\$ 270,561	281,206	407,283
Mandatorily measured at fair value through profit or loss:			
Contingent consideration	\$ 28,848	26,784	-

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):

March 31, 2025				
	Contract amount		Currency	Contract period
Selling/buying forward USD	4,000 / NTD 131,917		USD to NTD	2025.04
Selling/buying forward EUR	1,000 / NTD 34,331		EUR to NTD	2025.04
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
March 31, 2024				
	Contract amount		Currency	Contract period
Selling/buying forward USD	6,000 / NTD 188,585		USD to NTD	2024.04~2024.05
Selling/buying forward EUR	3,000 / NTD 103,282		EUR to NTD	2024.04~2024.05
Selling/buying forward USD	1,000 / CNY 7,210		USD to CNY	2024.04.08

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(c) Notes and accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 292	12	53
Accounts receivable	3,646,505	3,429,545	2,518,654
Less: Allowance for impairment	(68,497)	(64,146)	(47,996)
	<u>\$ 3,578,300</u>	<u>3,365,411</u>	<u>2,470,711</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:

March 31, 2025			
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 1,561,562	0.32%	5,357
1 to 90 days past due	84,482	0.68%	573
91 to 180 days past due	71	0.98%	1
181 to 270 days past due	296	56.07%	166
	<u>\$ 1,646,411</u>		<u>6,097</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>
March 31, 2024			
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 1,128,287	0.47%	5,346
1 to 90 days past due	102,396	0.76%	778
More than 365 days past due	13,748	100.00%	13,748
	<u>\$ 1,244,431</u>		<u>19,872</u>

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

March 31, 2025			
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 1,543,771	1.01%	15,566
1 to 90 days past due	277,125	1.00%	2,771
91 to 180 days past due	115,608	3.00%	3,468
181 to 270 days past due	12,865	5.00%	643
271 to 365 days past due	12,294	10.00%	1,229
More than 365 days past due	38,723	100.00%	38,723
	<u>\$ 2,000,386</u>		<u>62,400</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>
March 31, 2024			
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 999,143	0.81%	8,113
1 to 90 days past due	232,547	1.06%	2,469
91 to 180 days past due	16,646	17.62%	2,933
181 to 270 days past due	8,225	5.00%	411
271 to 365 days past due	3,908	10.00%	391
More than 365 days past due	13,807	100.00%	13,807
	<u>\$ 1,274,276</u>		<u>28,124</u>

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

	For the three months ended March 31	
	2025	2024
Balance on January 1, 2025 and 2024	\$ 64,146	46,449
Impairment losses recognized	2,093	444
Foreign exchange gains	2,258	1,103
Balance on March 31, 2025 and 2024	<u><u>\$ 68,497</u></u>	<u><u>47,996</u></u>

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

(d) Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Finished goods	\$ 1,502,908	1,710,762	1,730,903
Semi-finished goods and work in process	829,684	664,694	540,915
Raw material and supplies	1,317,489	1,212,681	1,063,347
Inventories in transit	246,799	289,870	168,432
	<u><u>\$ 3,896,880</u></u>	<u><u>3,878,007</u></u>	<u><u>3,503,597</u></u>

Raw material, consumables, and changes in the finished goods and work in progress recognized as cost of sales amounted to \$3,246,775 thousand and \$2,204,525 thousand for the three months ended March 31, 2025 and 2024, respectively.

During the three months ended March 31, 2025 and 2024, the write-down of inventories to net realizable value amounting to \$37,847 thousand and \$64,886 thousand, respectively.

As of March 31, 2025, December 31 and March 31, 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		
		March 31, 2025	December 31, 2024	March 31, 2024
TSC Auto ID Technology Co., Ltd. (TSC Auto ID)	Taiwan	64.21 %	64.13 %	63.95 %

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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:

	March 31, 2025	December 31, 2024	March 31, 2024(restated)
Current assets	\$ 5,892,626	5,948,499	4,003,931
Non-current assets	6,693,747	6,757,364	5,048,753
Current liabilities	(3,845,782)	(3,834,188)	(2,179,010)
Non-current liabilities	(3,431,265)	(3,770,396)	(1,410,950)
Net assets	<u>\$ 5,309,326</u>	<u>5,101,279</u>	<u>5,462,724</u>
Non-controlling interests	<u>\$ 3,353,697</u>	<u>3,150,273</u>	<u>3,131,826</u>

	For the three months ended March 31	
	2025	2024
Sales revenue	\$ <u>2,856,093</u>	<u>1,875,486</u>
Net income	\$ 185,338	159,839
Other comprehensive income	5,656	(163,164)
Comprehensive income	<u>\$ 190,994</u>	<u>(3,325)</u>
Net income attributable to non-controlling interests	<u>\$ 119,574</u>	<u>102,217</u>
Comprehensive income attributable to non-controlling interests	<u>\$ 189,273</u>	<u>167,596</u>

	For the three months ended March 31	
	2025	2024
Cash flows from operating activities	\$ 225,082	283,305
Cash flows used in investing activities	(54,850)	(134,814)
Cash flows used in financing activities	(502,847)	(151,409)
Effect of exchange rate changes on cash and cash equivalents	31,338	18,918
Net increase (decrease) in cash and cash equivalents	<u>\$ (301,277)</u>	<u>16,000</u>

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(f) Property, plant and equipment

	Land	Building and construction	Machinery and equipment	Total
Carrying amount:				
Balance at January 1, 2025	\$ 866,666	886,799	2,660,972	4,414,437
Balance at March 31, 2025	\$ 867,064	887,572	2,645,032	4,399,668
Balance at January 1, 2024 (restated)	\$ 866,547	917,154	2,624,196	4,407,897
Balance at March 31, 2024 (restated)	\$ 866,590	912,416	2,645,667	4,424,673

- (i) As of March 31, 2025, December 31 and March 31, 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 ended March 31, 2025, and 2024 were \$244 thousand and \$462 thousand, respectively, both at a rate of 1.74% and 1.50%.

(g) Right-of-use assets

	Land	Building and construction	Machinery and equipment	Transportatio n equipment	Total
Carrying amount:					
Balance at January 1, 2025	\$ 7,987	666,408	16,038	10,648	701,081
Balance at March 31, 2025	\$ 8,063	630,941	16,501	10,235	665,740
Balance at January 1, 2024	\$ 8,071	150,755	17,493	12,976	189,295
Balance at March 31, 2024	\$ 8,132	327,219	16,918	13,534	365,803

(h) Intangible assets

	Acquired special technology	Customer relationship	Patent	Software	Trademar ks 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 March 31, 2025	\$ 745,447	143,847	98,289	75,935	61	68,308	1,131,887
Balance at January 1, 2024(restated)	\$ 412,348	136,272	-	29,425	-	-	578,045
Balance at March 31, 2024(restated)	\$ 357,927	133,693	-	26,987	-	-	518,607

(i) Goodwill

	March 31, 2025	December 31, 2024	March 31, 2024(restated)
Cost			
Beginning balance	\$ 2,029,444	1,339,762	1,269,559
Acquisition through business combinations	-	638,578	-
Effect of movement in exchange rates	39,855	51,104	119,846
Ending balance	\$ 2,069,299	2,029,444	1,389,405

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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:

	March 31, 2025	December 31, 2024	March 31, 2024(restated)
CGU Rectifiers	\$ 84,872	83,799	81,792
CGU Bar Code Printers	1,984,427	1,945,645	1,307,613
	<u>\$ 2,069,299</u>	<u>2,029,444</u>	<u>1,389,405</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024(restated)
Printer business group	\$ 930,438	918,669	896,672
Label business-DLS	213,595	210,893	205,844
Label business-MGN	219,986	204,252	205,097
Mobile device business-Bluebird	620,408	611,831	-
Total	<u>\$ 1,984,427</u>	<u>1,945,645</u>	<u>1,307,613</u>

TSC Auto ID merged with, and acquired the entire shares of, MGN on June 12, 2023, through TSCPL, and generated the goodwill amounting to PLN 25,577 thousand (approximately NTD 192,465 thousand), with the expectation of an increase in market demand and competitive advantage from the acquisition, which will promote the benefit of the revenue growth and expand the business scale of the Group. TSC Auto ID obtained the evaluation report in the second quarter of 2024 and has adjusted the original accounting treatment and provisional amount from the acquisition date based on the purchase price allocation report, wherein it restated the comparative information.

The impact of retrospective adjustments to items related to the consolidated balance sheet is as follows:

	December 31, 2024	Acquisition date
<u>Assets</u>		
Property, plant and equipment	\$ 140	149
Intangible assets	(2,314)	(2,257)
Goodwill	239	224
<u>Liabilities</u>		
Other payables	(3,036)	(2,849)
Other current liabilities	1,455	1,366
Deferred tax liabilities	(427)	(401)

(Continued)

TAIWAN SEMICONDUCTOR CO., LTD.
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	<u>December 31, 2024</u>	<u>Acquisition date</u>
<u>Equity</u>		
Retained earnings	\$ 59	-
Other stockholders' equity	14	-

The impact of retrospective adjustments to items related to the consolidated income statement is as follows:

	<u>For the three months ended March 31, 2024</u>
Operating expenses	\$ 19
Amortization expenses	(92)
Deferred income tax expense	14
Exchange differences on translation of foreign financial statements	<u>(14)</u>
Comprehensive income	<u><u>\$ (73)</u></u>

Comprehensive income attributable to:

	<u>For the three months ended March 31, 2024</u>
Owners of the parent	\$ 120
Non-controlling interests	<u>(47)</u>
Total	<u><u>\$ 73</u></u>

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 of BB for KRW 118,740,223 thousand (approximately NTD 2,783,490 thousand) in November 2024, with the valuation report having been obtained in the first quarter of 2025.

(j) Short-term borrowings

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Unsecured credit loans	\$ 1,740,946	1,985,419	1,103,308
Import and export loans	332,050	295,065	96,000
Secured loans	<u>6,134</u>	<u>6,217</u>	<u>10,001</u>
	<u><u>\$ 2,079,130</u></u>	<u><u>2,286,701</u></u>	<u><u>1,209,309</u></u>
Unused short-term credit lines	<u><u>\$ 5,041,062</u></u>	<u><u>4,477,457</u></u>	<u><u>4,700,337</u></u>
Range of interest rate (%)	<u><u>1.77%~7.55%</u></u>	<u><u>1.77%~7.52%</u></u>	<u><u>1.59%~7.53%</u></u>

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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

March 31, 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	149,333
	1.825%	2026.12.04	17,292
	1.325%	2026.12.04	20,513
	1.83%~1.93%	2028.03.14	1,100,000
Secured bank loans (Note)	2.38%~4.42%	2029.11.14	<u>1,109,421</u>
			3,110,509
Less: Unamortized balance			(7,401)
Less: Current portion			<u>(274,218)</u>
Total			\$ 2,828,890
Unused long-term credit lines			\$ 2,723,170

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			\$ 2,980,445
Unused long-term credit lines			\$ 3,174,570

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	March 31, 2024		
	Rate range	Maturity year	Amount
Unsecured bank loans	1.675%	2030.01.15	\$ 5,200
	1.400%	2029.03.15	153,600
	1.525%	2029.02.01	10,800
	1.320%	2028.12.31	3,590
	1.805%	2027.07.16	213,333
	1.805%	2026.12.04	60,487
	1.325%	2025.03.28	80,000
	1.325%	2024.12.25	90,000
	1.65%~2.00%	2026.03.13	560,000
Secured bank loans	4.40%~8.88%	2027.12.15	17,822
			\$ 1,194,832
Less: Current portion			(265,838)
Total			<u>\$ 928,994</u>
Unused long-term credit lines			<u>\$ 3,463,930</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.

To enhance mid-term working capital, The Group has signed loan agreements with different banks and paid interest incurred periodically. Before the expiry of contracts, short-term loans can be made within the revolving credit lines. There are no revolving credit lines for mid-term or long-term loans. The maturity dates above are based on the end dates of the loan periods.

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

(l) Other payables

	March 31, 2025	December 31, 2024	March 31, 2024(restated)
Salaries and bonus payable	\$ 334,724	428,091	362,772
Payables on equipment	36,630	49,494	32,690
Others	350,306	461,505	415,211
	<u>\$ 721,660</u>	<u>939,090</u>	<u>810,673</u>

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(m) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	\$ 142,064	134,573	109,818
Non-current	549,955	568,029	242,233
	<u>\$ 692,019</u>	<u>702,602</u>	<u>352,051</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 March 31	
	2025	2024
Interest on lease liabilities	\$ <u>13,089</u>	<u>3,606</u>
Expenses relating to short-term leases	\$ <u>3,359</u>	<u>2,784</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>5,162</u>	<u>1,087</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%.

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

	For the three months ended March 31	
	2025	2024
Total cash outflow for leases	\$ <u>43,755</u>	<u>41,807</u>

(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.

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

	For the three months ended March 31	
	2025	2024
Operating cost	\$ 563	67
Selling expenses	1,707	18
Administrative expenses	2,627	108
Research and development expenses	3,459	24
	\$ 8,356	217

(ii) Defined contribution plans

For the three months ended March 31, 2025 and 2024, the Group's pension costs under the defined contribution method were \$8,657 thousand and \$8,483 thousand, respectively. Payment was made to the Bureau of Labor Insurance.

(iii) The pension cost of foreign subsidiaries recognized in accordance with the local defined contribution method amounted to \$24,830 thousand and \$21,909 thousand for the three months ended March 31, 2025 and 2024, respectively.

(o) Income tax

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

	For the three months ended March 31	
	2025	2024(restated)
Current tax expenses		
Current period	\$ 103,989	102,102
Adjustment for prior periods	(426)	(1,517)
	<u>103,563</u>	<u>100,585</u>
Deferred tax expenses		
Origination of temporary differences	(17,063)	(12,209)
Total income tax expenses	\$ 86,500	88,376

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Notes to the Consolidated Financial Statements

- (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	
	March 31	
	2025	2024
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences of foreign operations	\$ <u><u>26,615</u></u>	<u><u>25,555</u></u>

- (iii) There was no income tax recognized directly in equity for the three months ended March 31, 2025 and 2024, respectively.
- (iv) As of March 31, 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.

(p) Stockholders' equity

(i) Common stock

As of March 31, 2025, December 31 and March 31, 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

	March 31, 2025	December 31, 2024	March 31, 2024
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	232,065	232,065	200,145
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>109,924</u>	<u>107,023</u>	<u>99,831</u>
	<u><u>\$ 2,255,885</u></u>	<u><u>2,252,984</u></u>	<u><u>2,213,872</u></u>

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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.

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 March 31, 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.

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TAIWAN SEMICONDUCTOR CO., LTD.
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(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 2024 and 2023 earnings distributions have been approved and resolved during the board and shareholders' meetings held on March 14, 2025 and June 19, 2024, respectively, as follows:

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

(vi) Treasury stocks

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

As of March 31, 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 2024 and 2023, the Company had recognized dividend income received from its TSC Auto ID subsidiary in the amount of \$31,920 thousand and \$59,200 thousand, respectively, and the total amount were transferred to capital surplus – treasury shares under the equity method.

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Notes to the Consolidated Financial Statements

(vii) Other equity

	Foreign exchange differences arising from foreign operation
Balance at January 1, 2025	\$ (244,678)
Foreign exchange differences	<u>129,742</u>
Balance at March 31, 2025	<u><u>\$ (114,936)</u></u>
Balance at January 1, 2024	\$ (419,530)
Foreign exchange differences	<u>120,288</u>
Balance at March 31, 2024(restated)	<u><u>\$ (299,242)</u></u>

(q) Share-based payment

There were no significant changes with share-based payment for the three months ended March 31, 2025 and 2024. Please refer to the 2024 annual consolidated financial statements.

(r) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31, 2025		
	Rectifiers	Bar code Printers	Total
Primary geographical markets			
Asia	\$ 1,080,509	974,340	2,054,849
America	152,383	1,081,482	1,233,865
Europe	403,201	800,254	1,203,455
Others	<u>15,689</u>	<u>-</u>	<u>15,689</u>
	<u><u>\$ 1,651,782</u></u>	<u><u>2,856,076</u></u>	<u><u>4,507,858</u></u>
Major products lines			
Rectifiers	\$ 1,651,782	-	1,651,782
Bar code Printers	<u>-</u>	<u>2,856,076</u>	<u>2,856,076</u>
	<u><u>\$ 1,651,782</u></u>	<u><u>2,856,076</u></u>	<u><u>4,507,858</u></u>

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For the three months ended March 31, 2024			
	Rectifiers	Bar code Printers	Total
Primary geographical markets			
Asia	\$ 809,253	489,769	1,299,022
America	115,219	897,611	1,012,830
Europe	356,491	488,089	844,580
Others	14,428	-	14,428
	\$ 1,295,391	1,875,469	3,170,860
Major products lines			
Rectifiers	\$ 1,295,391	-	1,295,391
Bar code Printers	-	1,875,469	1,875,469
	\$ 1,295,391	1,875,469	3,170,860

(ii) Contract balances

	March 31, 2025	December 31, 2024	March 31, 2024
Notes and trade receivable	\$ 3,646,797	3,429,557	2,518,707
Less: Allowance for impairment	(68,497)	(64,146)	(47,996)
Total	\$ 3,578,300	3,365,411	2,470,711

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

(s) Non-operating income and expenses

(i) Interest income

The Group's interest income detail was as follows:

For the three months ended March 31		
	2025	2024
Interest income from bank deposits	\$ 6,259	6,606
(ii) Other income		
For the three months ended March 31		
	2025	2024
Rent income	\$ 2,160	2,023
Others	7,466	9,678
	\$ 9,626	11,701

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(iii) Other gains and losses

	For the three months ended March 31	
	2025	2024
Losses on disposal of property, plant and equipment	\$ (2,064)	(879)
Foreign exchange gains	58,110	69,131
Losses on financial asset at fair value through profit or loss	(476)	(6,229)
Reversal of impairment gains on property, plant and equipment	204	989
Others	(3,094)	(1,619)
	<u><u>\$ 52,680</u></u>	<u><u>61,393</u></u>

(iv) Finance costs

	For the three months ended March 31	
	2025	2024
Interest expense	\$ (49,546)	(20,933)
Less: interest capitalization	244	663
Other financial costs	(435)	(395)
	<u><u>\$ (49,737)</u></u>	<u><u>(20,665)</u></u>

(t) Remunerations to employees and directors

In accordance with the Company's articles of incorporation, require that earnings shall first be offset against any deficit, then, a range from 4% to 10% will be distributed as employee remuneration and a maximum of 1% will be allocated as directors' remuneration. Employees who are entitled to receive the above-mentioned employee remuneration, in shares or cash, include the employees of the subsidiaries of the Company who meet certain specific requirements.

The abovementioned directors' remuneration, which should be distributed in cash, and the amount of remuneration to employees, had been approved by the Board of Directors and will be reported during the shareholders' meeting.

The Company estimated its remuneration to employees amounting to \$8,139 thousand and \$8,391 thousand for the three months ended March 31, 2025 and 2024, respectively, and estimated its remuneration to directors amounting \$1,357 thousand and \$1,398 thousand for the three months ended March 31, 2025 and 2024, respectively. The estimated amounts mentioned above are based on the net profit before tax of each respective ending period, multiplied by the percentages of the remuneration to employees and directors, as specified in the Company's article. The estimations are recorded under operation expenses. The differences between the estimated amounts in financial statements and the actual amounts approved by the Board of Directors, if any, shall be accounted for as changes in accounting estimates and recognized as profit or loss in following year.

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For the years ended December 31, 2024 and 2023, the Company estimated its employee remunerations amounting to \$34,336 thousand and \$55,799 thousand, as well as its directors remunerations amounting \$5,723 thousand and \$9,300 thousand, respectively. The estimated amounts mentioned above, recorded under operation expense, were based on the net profit before tax of each respective ending period, multiplied by the percentages of the remunerations to employees and directors, as specified in the Company's article. The differences between the estimated amounts in financial statements and the actual amounts approved by the Board of Directors, if any, shall be accounted for as changes in accounting estimates and recognized as profit or loss in the following year. Related information can be accessed from the market observation post system website. 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.

(u) Earnings per share

(i) Basic earnings per share

	For the three months ended March 31	
	2025	2024 (restated)
Net income	\$ <u>116,475</u>	<u>104,563</u>
Weighted-average number of outstanding shares (thousands)	<u>247,525</u>	<u>247,525</u>
Basic earnings per share (\$)	\$ <u>0.47</u>	<u>0.42</u>

(ii) Diluted earnings per share

	For the three months ended March 31	
	2025	2024
Diluted net income per share	\$ <u>116,475</u>	<u>104,563</u>
Weighted-average number of outstanding shares (thousands)	247,525	247,525
Employees' remuneration	<u>726</u>	<u>715</u>
Diluted weighted-average number of common shares outstanding (thousands)	<u>248,251</u>	<u>248,240</u>
Diluted earnings per share (\$)	\$ <u>0.47</u>	<u>0.42</u>

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(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>
March 31, 2025						
Non-derivative financial liabilities						
Short-term borrowings	\$ 2,079,130	2,089,740	2,089,740	-	-	-
Contingent consideration in business combination	93,198	93,198	64,350	28,848	-	-
Accounts payable	1,550,308	1,550,308	1,550,308	-	-	-
Other payables	721,660	721,660	721,660	-	-	-
Lease liabilities	692,019	803,030	188,235	149,149	459,441	6,205
Long-term borrowings (including expires within one year)	3,103,108	3,311,286	333,714	362,375	2,615,197	-
Derivative financial liabilities						
Currency forward contracts	2,386	2,386	2,386	-	-	-
	<u><u>\$ 8,241,809</u></u>	<u><u>8,571,608</u></u>	<u><u>4,950,393</u></u>	<u><u>540,372</u></u>	<u><u>3,074,638</u></u>	<u><u>6,205</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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	Carrying amount	Contractual cash flow	1 year	1-2 years	2-5 years	More than 5 years
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>
March 31, 2024(restated)						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,209,309	1,212,899	1,212,899	-	-	-
Accounts payable	1,347,115	1,347,115	1,347,115	-	-	-
Other payables	810,673	810,673	810,673	-	-	-
Lease liabilities	352,051	405,407	130,109	87,422	161,640	26,236
Long-term borrowings (including expires within one year)	1,194,832	1,229,628	282,658	663,843	281,672	1,455
Derivative financial liabilities						
Currency forward contracts	3,355	3,355	3,355	-	-	-
	<u>\$ 4,917,335</u>	<u>5,009,077</u>	<u>3,786,809</u>	<u>751,265</u>	<u>443,312</u>	<u>27,691</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:

	March 31, 2025		December 31, 2024		March 31, 2024	
	Exchange rate	Amount (NTD)	Exchange rate	Amount (NTD)	Exchange rate	Amount (NTD)
<u>Financial assets</u>						
<u>Monetary Items</u>						
USD	\$ 33.205	2,193,940	32.785	1,957,399	32.00	1,534,494
EUR	35.97	1,539,984	34.14	1,421,682	34.46	915,126
JPY	0.2227	222,600	0.2099	218,854	0.2115	181,776
HKD	4.2680	422,009	4.2220	428,308	4.0890	335,861
CNY	4.5730	2,285,804	4.4780	2,286,287	4.4080	1,984,507
KRW	0.0226	465	0.0223	2,128	0.0238	774
GBP	43.05	11,667	41.19	9,844	40.39	-
		<u>\$ 6,676,469</u>		<u>6,324,502</u>		<u>4,952,538</u>
<u>Derivative financial instruments</u>						
USD	\$ 33.205	-	32.785	-	32.00	-
EUR	35.97	-	34.14	43	34.46	277
		<u>\$ -</u>		<u>43</u>		<u>277</u>

(Continued)

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

	March 31, 2025		December 31, 2024		March 31, 2024	
	Exchange rate	Amount (NTD)	Exchange rate	Amount (NTD)	Exchange rate	Amount (NTD)
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	\$ 33.205	959,707	32.785	1,176,195	32.00	635,064
EUR	35.97	1,407,513	34.14	833,666	34.46	322,549
JPY	0.2227	72,052	0.2099	66,091	0.2115	89,742
HKD	4.2680	1,487	4.2220	1,527	4.0890	1,322
CNY	4.5730	622,979	4.4780	721,133	4.4080	515,489
KRW	0.0226	479	0.0223	1,908	0.0238	555
		<u>\$ 3,064,217</u>		<u>2,800,520</u>		<u>1,564,721</u>
<u>Derivative financial instruments</u>						
USD	\$ 33.205	825	32.785	1,190	32.00	3,242
EUR	35.97	1,561	34.14	-	34.46	113
		<u>\$ 2,386</u>		<u>1,190</u>		<u>3,355</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 March 31, 2025 and 2024, would have increased or decreased the net profit before tax by \$108,296 thousand and \$101,542 thousand for the three months ended March 31, 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. For the three months ended March 31, 2025 and 2024, foreign exchange gain (including realized and unrealized portions) amounted to \$58,110 thousand and \$69,131 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.

(Continued)

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

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 \$51,822 thousand and \$24,041 thousand for the three months ended March 31, 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 three months ended March 31			
	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%	\$ -	1,631	-	2,575
Decreasing 1%	\$ -	(1,631)	-	(2,575)

(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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TAIWAN SEMICONDUCTOR CO., LTD.
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March 31, 2025					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Beneficiary certificates	\$ 90,325	90,325	-	-	90,325
Fund in foreign markets	90,955	-	-	90,955	90,955
Subtotal	<u>181,280</u>	<u>90,325</u>	<u>-</u>	<u>90,955</u>	<u>181,280</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	3,652,300	-	-	-	-
Notes and accounts receivable	3,578,300	-	-	-	-
Other receivables	119,019	-	-	-	-
Other financial assets (including current and non-current)	<u>270,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>7,620,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,801,460</u>	<u>90,325</u>	<u>-</u>	<u>90,955</u>	<u>181,280</u>
Financial liabilities at fair value through profit or loss	\$				
Currency forward contracts	2,386	-	2,386	-	2,386
Contingent consideration	<u>93,198</u>	<u>-</u>	<u>-</u>	<u>93,198</u>	<u>93,198</u>
Subtotal	<u>95,584</u>	<u>-</u>	<u>2,386</u>	<u>93,198</u>	<u>95,584</u>
Financial liabilities measured at amortized cost					
Accounts payable	1,550,308	-	-	-	-
Other payables	721,660	-	-	-	-
Lease liabilities	692,019	-	-	-	-
Borrowings	<u>5,182,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>8,146,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 8,241,809</u>	<u>-</u>	<u>2,386</u>	<u>93,198</u>	<u>95,584</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>\$ 7,751,947</u>	<u>20,089</u>	<u>43</u>	<u>66,152</u>	<u>86,284</u>

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

December 31, 2024					
	Carrying amount	Fair value			
		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>
March 31, 2024(restated)					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Beneficiary certificates	\$ 240,165	240,165	-	-	240,165
Currency forward contracts	277	-	277	-	277
Fund in foreign markets	21,754	-	-	21,574	21,574
Subtotal	262,196	240,165	277	21,574	262,016
Financial assets measured at amortized cost					
Cash and cash equivalents	3,085,313	-	-	-	-
Notes and accounts receivable	2,470,711	-	-	-	-
Other receivables	58,277	-	-	-	-
Other financial assets (including current and non-current)	407,283	-	-	-	-
Subtotal	6,021,584	-	-	-	-
Total	<u>\$ 6,283,780</u>	<u>240,165</u>	<u>277</u>	<u>21,574</u>	<u>262,016</u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ 3,355	-	3,355	-	3,355
Financial liabilities measured at amortized cost					
Accounts payable	1,347,115	-	-	-	-
Other payables	810,673	-	-	-	-
Lease liabilities	352,051	-	-	-	-
Borrowings	2,404,141	-	-	-	-
Subtotal	4,913,980	-	-	-	-
Total	<u>\$ 4,917,335</u>	<u>-</u>	<u>3,355</u>	<u>-</u>	<u>3,355</u>

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TAIWAN SEMICONDUCTOR CO., LTD.
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 three months ended March 31, 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	1,085
Purchased	23,718
Ending balance, March 31, 2025	<u><u>\$ 90,955</u></u>

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

	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	(629)
Ending balance, March 31, 2024	<u><u>\$ 21,754</u></u>

For the three months ended March 31, 2025 and 2024, the total gains and losses that were included in "other gains and losses" were as follows:

	For the three months ended March 31	
	<u>2025</u>	<u>2024</u>
Total gains or losses		
Recognized in profit or loss (presented in "other gains and losses")	\$ 1,085	(629)

- 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:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
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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TAIWAN SEMICONDUCTOR CO., LTD.
Notes to the Consolidated Financial Statements

(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 three months ended March 31, 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 three months ended March 31, 2025 and 2024.

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Non-cash changes			March 31, 2025
			Foreign exchange movement	Other	Changes in lease payments	
Short-term borrowings	\$ 2,286,701	(207,571)	-	-	-	2,079,130
Long-term borrowings (including expires within one year)	3,294,570	(191,960)	498	-	-	3,103,108
Lease liabilities	702,602	(22,145)	(2,187)	13,089	660	692,019
Deposit received	1,970	36	-	-	-	2,006
Total liabilities from financing activities	<u>\$ 6,285,843</u>	<u>(421,640)</u>	<u>(1,689)</u>	<u>13,089</u>	<u>660</u>	<u>5,876,263</u>
	January 1, 2024	Cash flows	Non-cash changes			March 31, 2024
			Foreign exchange movement	Other	Changes in lease payments	
Short-term borrowings	\$ 1,621,395	(412,086)	-	-	-	1,209,309
Long-term borrowings (including expires within one year)	1,147,420	47,401	11	-	-	1,194,832
Lease liabilities	170,263	(34,330)	9,984	3,606	202,528	352,051
Deposit received	1,971	51	-	-	-	2,022
Total liabilities from financing activities	<u>\$ 2,941,049</u>	<u>(398,964)</u>	<u>9,995</u>	<u>3,606</u>	<u>202,528</u>	<u>2,758,214</u>

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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 March 31	
	2025	2024
Short-term employment benefits	\$ 48,287	50,423
Post-employment benefits	638	628
Share-based payment	1,312	3,276
	\$ 50,237	54,327

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	March 31, 2025	December 31, 2024	March 31, 2024
Property, plant and equipment	Borrowing	\$ 87,273	82,052	95,283
The equity of BB, a subsidiary	"	2,802,048	-	-
		\$ 2,889,321	82,052	95,283

(9) Commitments and contingencies:

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

	March 31, 2025	December 31, 2024	March 31, 2024
NTD	\$ 2,108,000	2,370,000	2,070,000
USD	32,300	22,300	22,300

(10) Losses Due to Major Disasters: None

(11) Subsequent Events:

To motivate employees and enhance organizational cohesion, the Board of Directors resolved on April 24, 2025 to repurchase 3,000 thousand common shares between April 25 and June 24, 2025 for employee stock option, at a price range of \$35 to \$70 per share, wherein the Company will continue the repurchase even if the market price falls below the lower limit of the aforementioned price range.

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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 March 31, 2025			For the three months ended March 31, 2024(restated)		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salary	286,038	445,227	731,265	268,644	351,690	620,334
Labor and health insurance	35,048	34,802	69,850	31,281	33,588	64,869
Pension	19,703	22,140	41,843	17,876	12,733	30,609
Remuneration of directors	-	7,460	7,460	-	7,090	7,090
Others	24,413	21,763	46,176	24,403	11,698	36,101
Depreciation	197,092	35,095	232,187	187,250	30,512	217,762
Amortization	1,938	52,150	54,088	3,736	21,678	25,414

- (b) Seasonality of operation

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

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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 three months ended March 31, 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	35,970	35,970	10,791	5.00 %	2	-	Repayment of bank loans	-	None	-	1,046,141	2,092,282
1	TSC Auto ID	TSCAE	Other receivables-related party	Yes	179,850	179,850	107,910	5.00 %	2	-	Repayment of bank loans	-	None	-	1,046,141	2,092,282
1	TSC Auto ID	MGN	Other receivables-related party	Yes	215,820	215,820	-	5.00 %	2	-	Repayment of bank loans	-	None	-	1,046,141	2,092,282
1	TSC Auto ID	MGN	Other receivables-related party	Yes	215,820	215,820	180,390	5.00 %	2	-	Repayment of bank loans	-	None	-	1,046,141	2,092,282
2	BB	BBDE	Other receivables-related party	Yes	3,597	3,597	1,799	4.60 %	2	-	Repayment of bank loans	1,799	None	-	1,046,141	2,092,282
2	BB	BBDE	Other receivables-related party	Yes	3,597	3,597	3,597	4.60 %	2	-	Repayment of bank loans	3,597	None	-	1,046,141	2,092,282
2	BB	BBES	Other receivables-related party	Yes	216	216	216	4.60 %	2	-	Repayment of bank loans	216	None	-	1,046,141	2,092,282
2	BB	BBES	Other receivables-related party	Yes	327	327	327	4.60 %	2	-	Repayment of bank loans	-	None	-	1,046,141	2,092,282
3	DLS	TSC Auto ID	Other receivables-related party	Yes	99,615	99,615	66,410	6.00 %	2	-	Repayment of bank loans	-	None	-	1,046,141	2,092,282

Note 1: 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 and NTD 35.97 to EUR on March 31, 2025.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	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	2,092,282	199,230	199,230	-	-	3.81 %	3,138,424	Y	N	N

Note 1 : 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.

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Notes to Consolidated Financial Statements

(iii) Securities held as of March 31, 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	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	1,863	20,167	-	20,167	
The Company	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at fair value through profit or loss-current	4,377	70,158	-	70,158	
The Company	Applied WirelessIdentifications Group, Inc.	-	Financial assets at fair value through profit or loss-current	243	-	-	-	
The Company	Third Dimension (3D)Semiconductor, Inc.	-	Financial assets at fair value through profit or loss-current	922	-	-	-	
The Company	Achi Capital Partners Fund LP	-	Financial assets at fair value through profit or loss-non-current	-	90,955	-	90,955	

(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	TSCH	Subsidiary	Sale	(134,572)	(3) %		-		192,712	5%	
The Company	Yangxin Everwell	Sub-subsiary	Purchase	413,766	13 %		-		(369,740)	(24)%	(Note 2)
TSC Auto ID	TSCAE	Subsidiary	Sale	(226,963)	(5) %		-		659,717	18%	
TSC Auto ID	TSCAA	Subsidiary	Sale	(111,933)	(2) %		-		361,037	10%	
TSC Auto ID	TTSC	Subsidiary	Sale	(135,023)	(3) %		-		117,370	3%	
TSC Auto ID	TTSC	Subsidiary	Purchase	243,389	7 %		-		(245,091)	(16)%	

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	192,712	2.68 %	-		45,717	-
The Company	TSCA	Sub-subsiary	163,980	2.25 %	-		29,801	-
The Company	TSCC	Sub-subsiary	111,561	3.41 %	-		44,071	-
Yangxin Everwell	The Company	Sub-subsiary	369,740	4.87 %	-		116,850	-
TSC Auto ID	TSCAE	Subsidiary	659,717	1.33 %	339,356		57,433	-
TSC Auto ID	TSCAA	Subsidiary	361,037	1.22 %	216,738		42,095	-
TSC Auto ID	TTSC	Subsidiary	117,370	5.06 %	-		54,360	-
TTSC	TSC Auto ID	Subsidiary	245,091	3.42 %	-		54,887	-

Note 1: As of report date.

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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	28,491	Monthly payment	0.61%
0	The Company	TSCE	1	Accrued expenses	22,681		0.11%
0	The Company	TSCJ	1	Sales revenue	82,675	Note 3	1.78%
0	The Company	TSCJ	1	Accounts receivable	61,104		0.28%
0	The Company	TSCH	1	Sales revenue	134,572	Monthly payment	2.90%
0	The Company	TSCH	1	Accounts receivable	192,712		0.89%
0	The Company	TSCH	1	Other receivables	576		-%
0	The Company	TSCH	1	Accrued expenses	115		-%
0	The Company	TSCA	1	Sales revenue	87,757	Note 3	1.89%
0	The Company	TSCA	1	Selling expenses-commission	1,229		0.03%
0	The Company	TSCA	1	Accounts receivable	163,980		0.76%
0	The Company	TSCA	1	Other receivables	7,241		0.03%
0	The Company	TSCA	1	Accrued expenses	1,353		0.01%
0	The Company	TSCC	1	Sales revenue	96,748	Monthly payment	2.09%
0	The Company	TSCC	1	Accounts receivable	158,216		0.73%
0	The Company	TSCC	1	Other receivables	116		-%
0	The Company	TSCC	1	Purchase	45,298		0.98%
0	The Company	TSCC	1	Accounts payable	46,655		0.22%
0	The Company	Yangxin Everwell	1	Purchase	413,766	Note 4	8.92%
0	The Company	Yangxin Everwell	1	Accounts payable	369,740	Note 5	1.72%
0	The Company	Tianjin Everwell	1	Purchase	64,157		1.38%
0	The Company	Tianjin Everwell	1	Accounts payable	13,451		0.06%
0	The Company	Tianjin Everwell	1	Other payable	49,458		0.23%
1	Yangxin Everwell	TSCC	3	Sales revenue	333,218	Note 3	7.19%
1	Yangxin Everwell	TSCC	3	Accounts receivable	419,867		1.95%

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 three months ended March 31, 2025:

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Ever Energetic	British Virgin Islands	Holding company and general import and export business	665,501	665,501	21,175	100.00 %	1,496,965	(21,947)	(21,947)	Subsidiary (Note 2)
The Company	Ever Winner	British Virgin Islands	Holding company and general import and export business	465,127	465,127	16,010	100.00 %	1,876,236	60,590	60,590	Subsidiary (Note 2)
The Company	Skyrise	British Virgin Islands	Holding company and general import and export business	2,845	2,845	50	100.00 %	1,929	(39)	(39)	Subsidiary (Note 2)
The Company	TSCE	Germany	General import and export business	10,972	10,972	-	100.00 %	59,317	(3,765)	(3,765)	Subsidiary (Note 2)
The Company	TSCJ	Japan	Trading of rectifiers	28,689	28,689	2	100.00 %	146,942	3,672	3,672	Subsidiary (Note 1)
The Company	TSCH	Hong Kong	Holding company and trading of rectifiers	282,312	282,312	672	25.22 %	659,294	22,289	1,701	Subsidiary (Note 2)

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	TSC Auto ID	Taiwan	Manufacture and sale of bar code printers	163,728	163,728	16,995	35.79 %	1,208,701	183,543	65,763 (Note 1)	Subsidiary
Ever Energetic	TSCA	United States	Trading of rectifiers	258,520	258,520	6,750	75.00 %	185,190	(40,246)	(30,185) (Note 2)	Subsidiary
Ever Energetic	TSCH	Hong Kong	Holding company and trading of rectifiers	571,628	571,628	985	36.96 %	1,258,241	22,289	8,238 (Note 2)	Subsidiary
Ever Winner	TSCA	United States	Trading of rectifiers	83,813	83,813	2,250	25.00 %	61,730	(40,246)	(10,061) (Note 2)	Subsidiary
Ever Winner	TSCC	China	Trading of rectifiers	4,461	4,461	-	100.00 %	456,234	62,318	62,318 (Note 2)	Subsidiary
Ever Winner	TSCH	Hong Kong	Holding company and trading of rectifiers	792,254	792,254	1,008	37.82 %	1,287,519	22,289	8,430 (Note 2)	Subsidiary
TSCH	Yangxin Everwell	China	Manufacture and sale of rectifiers	966,119	966,119	-	100.00 %	2,476,618	26,356	26,356 (Note 1)	Subsidiary
TSCH	Tianjin Everwell	China	Manufacture and sale of wafers	787,044	787,044	-	100.00 %	648,140	(10,341)	(10,341) (Note 2)	Subsidiary
TSC Auto ID	TSCAE	Germany	Trading of bar code printers and other parts	2,943	2,943	note 3	100.00 %	(57,336)	(22,930)	(22,930) (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 %	1,151,666	(8,167)	(8,167) (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 %	786,916	20,182	20,182 (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 %	1,565,688	11,773	11,773 (Note 1)	Subsidiary
TSC Auto ID	TSCIN	India	Trading of bar code printers and other parts	2,791	2,791	710	100.00 %	1,416	(449)	(449) (Note 1)	Subsidiary
TSC Auto ID	TSCPL	Poland	General investment	498,827	498,827	note 4	100.00 %	503,863	(3,258)	(3,258) (Note 1)	Subsidiary
TSC Auto ID	BB	South Korea	Production and sales of handheld computers and their parts for enterprise	2,783,490	2,783,490	6,777	96.54 %	2,802,048	118,844	50,284 (Note 2)	Subsidiary
TSC Auto ID	BBMX	Mexico	Production and sales of handheld computers and their parts for enterprise	note 5	note 5	note 3	0.03 %	-	(3,499)	(1) (Note 2)	Subsidiary
TSCAE	TSCAD	United Arab Emirates	Trading of bar code printers and other parts	8,234	8,234	note 3	100.00 %	(16,132)	146	146 (Note 1)	Subsidiary
TSCAE	TSCAS	Spain	Trading of bar code printers and other parts	124	124	note 3	100.00 %	3,544	112	112 (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 %	53,181	1,593	1,593 (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 %	588,073	(1,000)	(3,424) (Note 1)	Subsidiary
TSC HK	TTSC	China	Manufacture and sale of bar code printers and other parts	49,808	49,808	-	100.00 %	824,017	31,392	31,392 (Note 1)	Subsidiary
BB	BBMX	Mexico	Production and sales of handheld computers and their parts for enterprise	5	5	note 3	99.97 %	5	(3,499)	(3,498) (Note 2)	Subsidiary
BB	BBUS	United States	Production and sales of handheld computers and their parts for enterprise	2,920	2,920	note 4	100.00 %	-	(8)	(8) (Note 2)	Subsidiary
BB	BBIN	India	Research and development, and design of handheld computers for enterprise use, and technical services	4,078	4,078	990	99.00 %	5,352	(689)	(682) (Note 2)	Subsidiary
BB	BBDE	Germany	Production and sales of handheld computers and their parts for enterprise	756	756	note 3	100.00 %	-	749	749 (Note 2)	Subsidiary
BB	BBES	Spain	Production and sales of handheld computers and their parts for enterprise	1,265	1,265	note 3	100.00 %	1,136	(42)	(42) (Note 2)	Subsidiary

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.

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(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 March 31, 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	62,318	100.00%	62,318	456,234	611,860
Yangxin Everwell	Manufacture and sale of rectifiers	1,667,160	(2)	628,196	-	-	628,196	26,356	100.00%	26,356	2,476,618	250,864
Tianjin Everwell	Manufacture and sale of wafers	387,173	(2)	387,173	-	-	387,173	(10,341)	100.00%	(10,341)	648,140	452,102
TTSC	Manufacture and sale of bar code printers and other parts	48,017	(2)	49,808	-	-	49,808	31,392	35.79%	11,235	824,017	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 March 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
1,113,017	2,207,891	4,826,083

Note : Achi Capital Partners Fund LP, an investee of the Company, shifted to invest in China. Therefore, the Company increased USD 282 thousand of the investment amount authorized by the Investment Commission MOEA. Another additional investment of NTD 8,900 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".

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Notes to the Consolidated Financial Statements

(14) Segment information:

For the three months ended March 31				
2025				
	Rectifiers	Bar Code Printers	Adjustments and eliminations	Total
Revenue:				
Revenue from external customers	\$ 1,651,782	2,856,076	-	4,507,858
Intersegment revenues	1,347,263	17	(1,347,280)	-
Total revenue	<u>\$ 2,999,045</u>	<u>2,856,093</u>	<u>(1,347,280)</u>	<u>4,507,858</u>
Reported segment profit and loss	<u>\$ 96,032</u>	<u>226,517</u>	<u>-</u>	<u>322,549</u>
For the three months ended March 31				
2024(restated)				
	Rectifiers	Bar Code Printers	Adjustments and eliminations	Total
Revenue:				
Revenue from external customers	\$ 1,295,391	1,875,469	-	3,170,860
Intersegment revenues	1,140,882	17	(1,140,899)	-
Total revenue	<u>\$ 2,436,273</u>	<u>1,875,486</u>	<u>(1,140,899)</u>	<u>3,170,860</u>
Reported segment profit and loss	<u>\$ 77,929</u>	<u>217,227</u>	<u>-</u>	<u>295,156</u>
Reported segment assets				
	Rectifiers	Bar Code Printers	Adjustments and eliminations	Total
March 31, 2025	<u>\$ 23,229,790</u>	<u>12,586,373</u>	<u>(14,272,773)</u>	<u>21,543,390</u>
December 31, 2024	<u>\$ 22,889,535</u>	<u>12,705,863</u>	<u>(14,055,356)</u>	<u>21,540,042</u>
March 31, 2024 (restated)	<u>\$ 22,373,413</u>	<u>9,052,684</u>	<u>(13,852,666)</u>	<u>17,573,431</u>