Unleash Innovation

2025 Fourth Quarter Earnings Conference

January 15, 2026

Agenda

- Welcome — Jeff Su, IR Director
- 4Q25 Financial Results and 1Q26 Outlook — Wendell Huang, CFO
- Key Messages — Wendell Huang, CFO
  C.C. Wei, Chairman & CEO
- Q&A

Safe Harbor Notice

- TSMC's statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.
- Information as to those factors that could cause actual results to vary can be found in TSMC's 2024 Annual Report on Form 20-F filed with the United States Securities and Exchange Commission (the "SEC") on April 17, 2025 and such other documents as TSMC may file with, or submit to, the SEC from time to time.
- Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

Statements of Comprehensive Income

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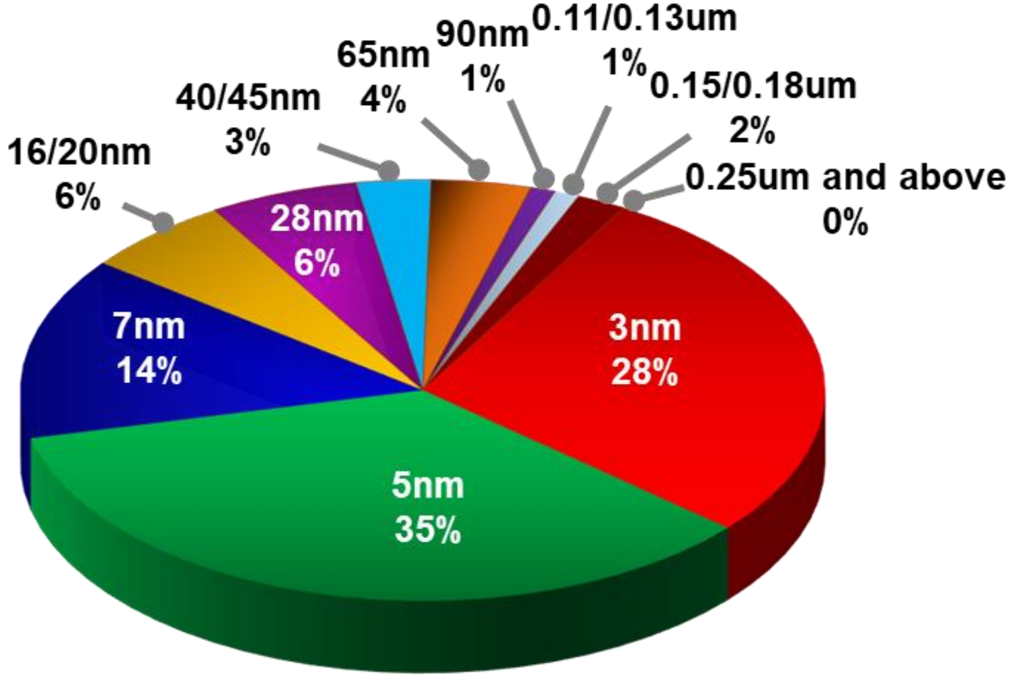
Selected Items from Statements of Comprehensive Income

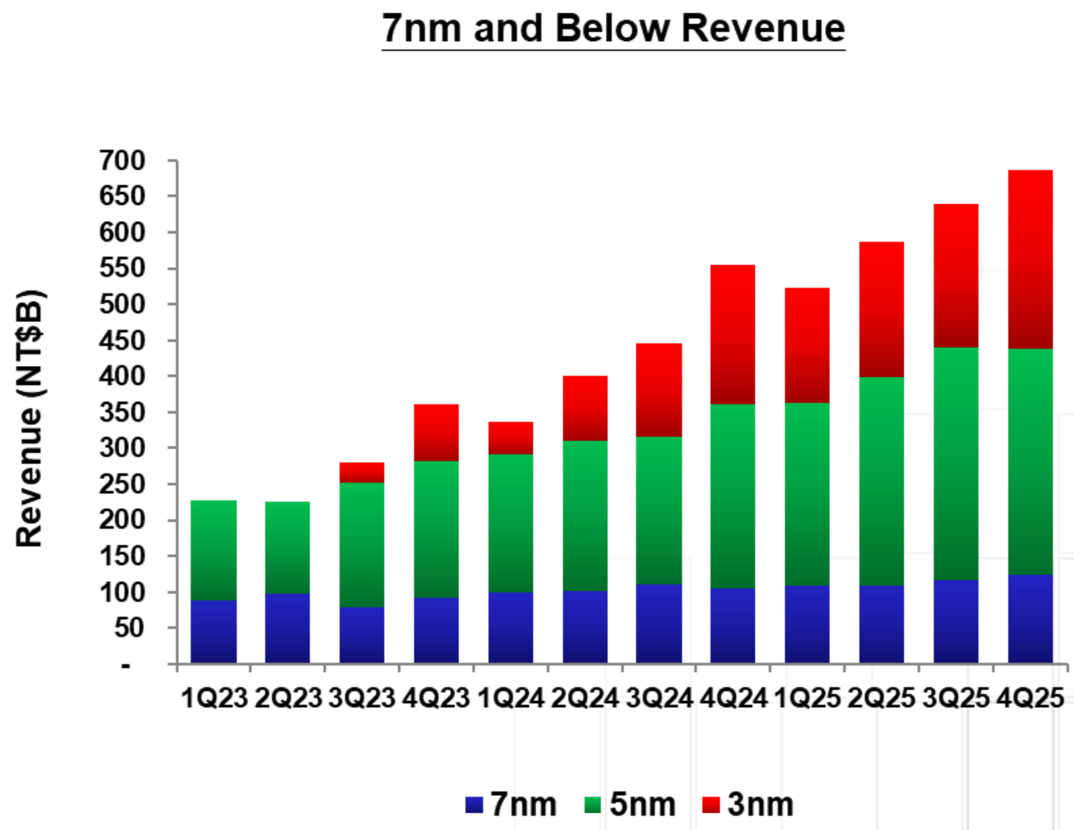
(In NT$ billions unless otherwise noted)	4Q25	4Q25 Guidance	3Q25	4Q24	4Q25 Over 3Q25	4Q25 Over 4Q24
Net Revenue (US$ billions)	33.73	32.2-33.4	33.10	26.88	+1.9%	+25.5%
Net Revenue	1,046.09		989.92	868.46	+5.7%	+20.5%
Gross Margin	**62.3%**	**59.0%-61.0%**	**59.5%**	**59.0%**	**+2.8 ppts**	**+3.3 ppts**
Operating Expenses	(88.19)		(87.76)	(86.34)	+0.5%	+2.1%
Operating Margin	**54.0%**	**49.0%-51.0%**	**50.6%**	**49.0%**	**+3.4 ppts**	**+5.0 ppts**
Non-Operating Items	27.46		24.68	23.09	+11.2%	+19.0%
Net Income Attributable to Shareholders of the Parent Company	505.74		452.30	374.68	+11.8%	+35.0%
Net Profit Margin	**48.3%**		**45.7%**	**43.1%**	**+2.6 ppts**	**+5.2 ppts**
EPS (NT Dollar)	19.50		17.44	14.45	+11.8%	+35.0%
ROE	38.8%		37.8%	36.2%	+1.1 ppts	+2.6 ppts
Shipment (Kpcs, 12"-equiv. Wafer)	3,961		4,085	3,418	-3.0%	+15.9%
Average Exchange Rate--USD/NTD	31.01	30.6	29.91	32.30	+3.7%	-4.0%

* Diluted weighted average outstanding shares were 25,931mn units in 4Q25

** ROE figures are annualized based on average equity attributable to shareholders of the parent company

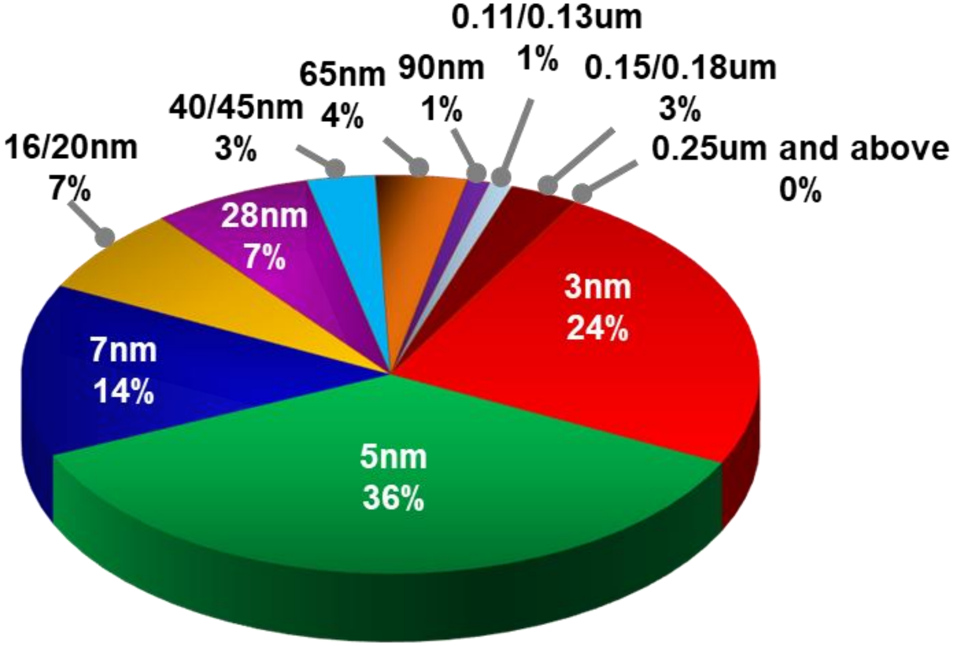
4Q25 Revenue by Technology



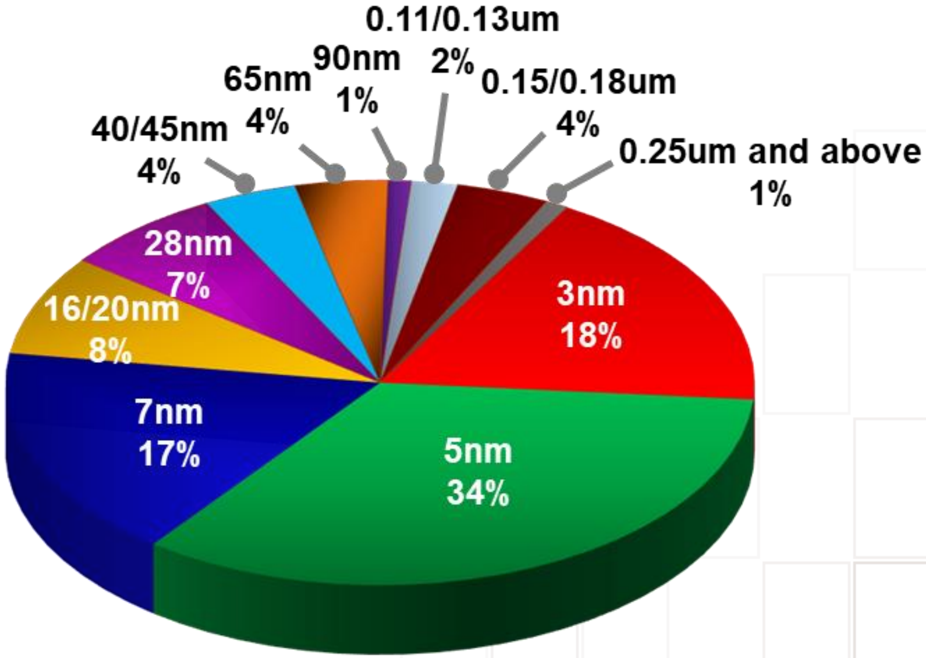


Revenue by Technology

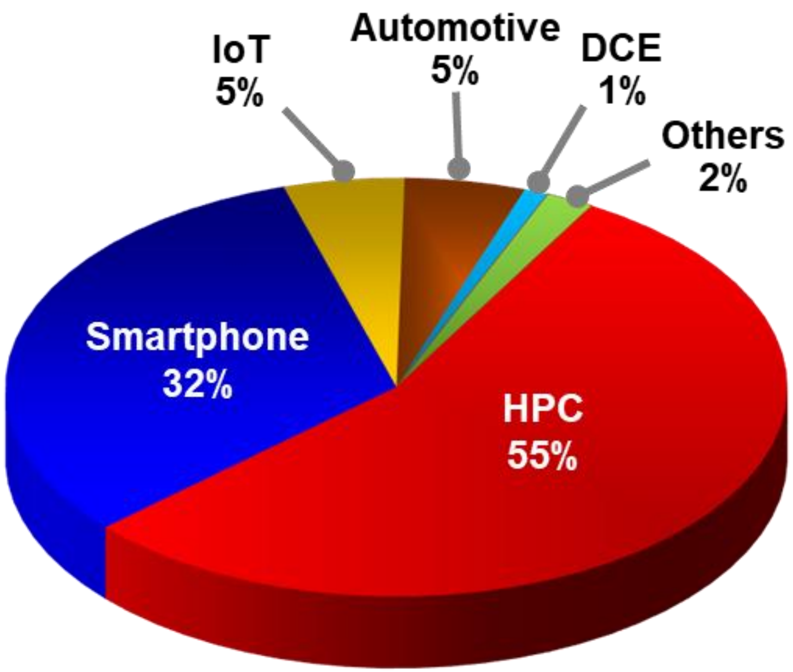
2025

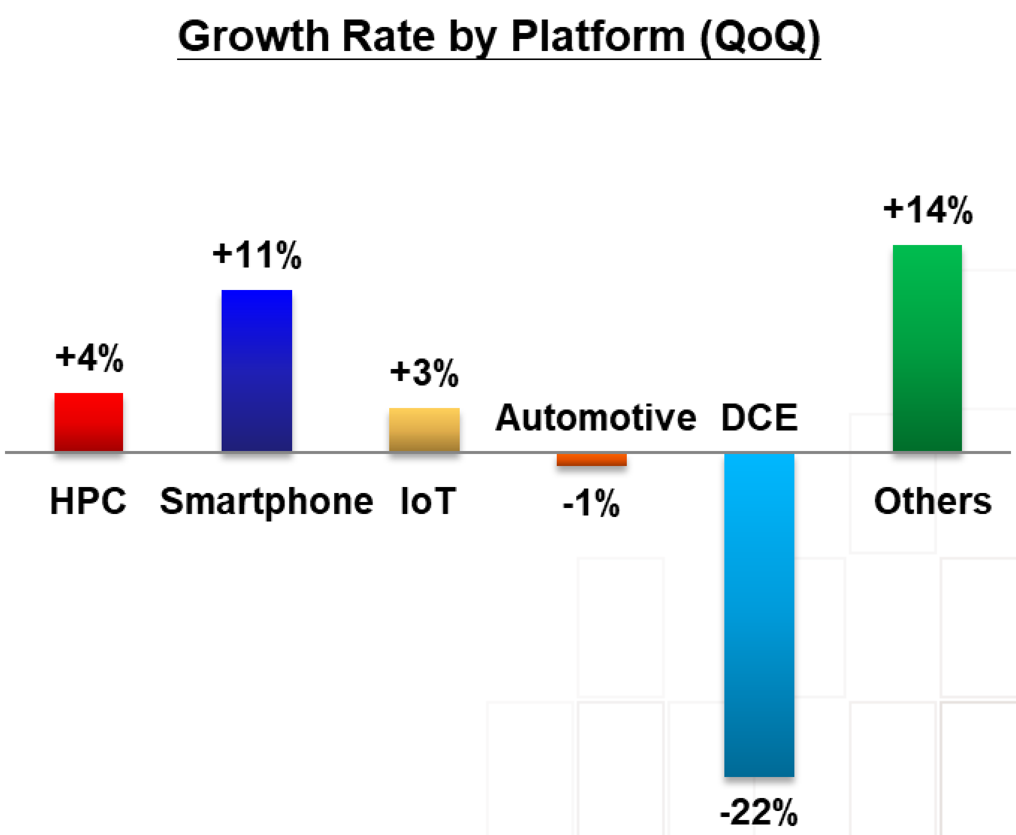


2024

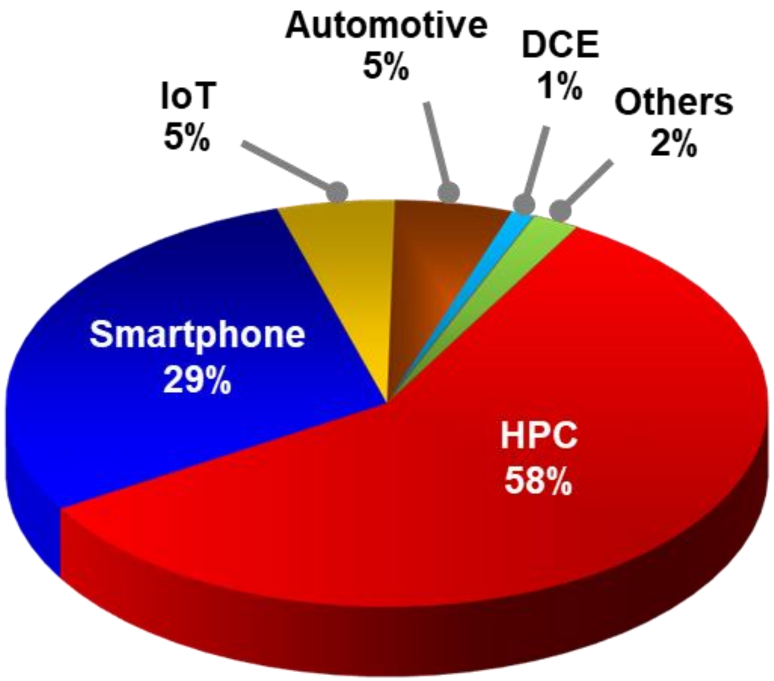


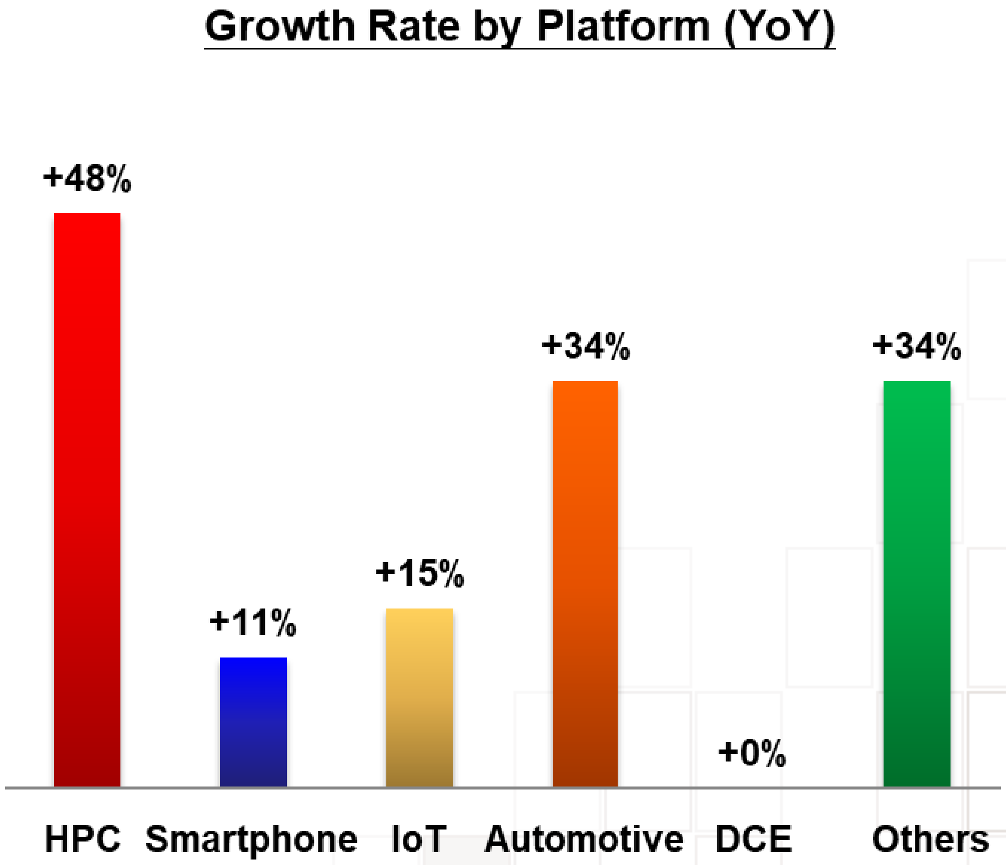
4Q25 Revenue by Platform





2025 Revenue by Platform





Balance Sheets & Key Indices

Selected Items from Balance Sheets	4Q25		3Q25		4Q24	
(In NT$ billions)	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	3,068.59	38.7 %	2,751.06	37.4 %	2,422.02	36.2 %
Accounts Receivable	281.79	3.6 %	307.81	4.2 %	272.09	4.1 %
Inventories	288.11	3.6 %	288.69	3.9 %	287.86	4.3 %
Long-term Investments	172.37	2.2 %	148.98	2.0 %	149.04	2.2 %
Net PP&E	3,691.84	46.5 %	3,499.34	47.6 %	3,234.98	48.3 %
Total Assets	**7,933.02**	**100.0 %**	**7,354.11**	**100.0 %**	**6,691.94**	**100.0 %**
Current Liabilities	1,458.02	18.4 %	1,275.91	17.3 %	1,264.53	18.9 %
Long-term Interest-bearing Debts	896.06	11.3 %	918.23	12.5 %	958.43	14.3 %
Total Liabilities	**2,472.23**	**31.2 %**	**2,318.53**	**31.5 %**	**2,368.36**	**35.4 %**
Total Shareholders' Equity	**5,460.79**	**68.8 %**	**5,035.58**	**68.5 %**	**4,323.58**	**64.6 %**
Key Indices						
A/R Turnover Days	**26**		**25**		**27**	
Inventory Turnover Days	**74**		**74**		**80**	
Current Ratio (x)	**2.6**		**2.7**		**2.4**	
Asset Productivity (x)	**1.2**		**1.2**		**1.1**	

* Total outstanding shares were 25,933mn units at 12/31/25

** Asset productivity = Annualized net revenue / Average net PP&E

Cash Flows

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(In NT$ billions)	**4Q25**	**3Q25**	**4Q24**
Beginning Balance	**2,470.76**	**2,364.52**	**1,886.78**
Cash from operating activities	725.51	426.83	620.21
Capital expenditures	(356.91)	(287.45)	(361.95)
Cash dividends	(129.66)	(116.70)	(103.73)
Bonds payable	21.75	(9.06)	(1.75)
Investments and others	36.41	92.62	88.07
Ending Balance	**2,767.86**	**2,470.76**	**2,127.63**
Free Cash Flow *	368.60	139.38	258.26

* Free cash flow = Cash from operating activities – Capital expenditures

2025 Financial Highlights

(In NT$ billions unless otherwise noted)	2025	2024	YoY
Net Revenue (US$ billions)	122.42	90.08	+35.9%
Net Revenue	3,809.05	2,894.31	+31.6%
Gross Margin	59.9%	56.1%	+3.8ppts
Operating Margin	50.8%	45.7%	+5.1ppts
Income before Tax	2,041.66	1,405.84	45.2%
EPS - Diluted (NT$)	66.25	45.25	46.4%
Operating Cash Flow	2,274.98	1,826.18	+24.6%
Capital Expenditures	1,272.41	956.01	+33.1%
Free Cash Flow (FCF)	1,002.57	870.17	+15.2%
Cash Dividends	466.78	363.05	+28.6%
Cash & Marketable Securities	3,068.59	2,422.02	+26.7%
ROE	35.4%	30.3%	+5.1ppts

1Q26 Guidance

Based on our current business outlook, management expects:

- Revenue to be between US$34.6 billion and US$35.8 billion

And, based on the exchange rate assumption of 1 US dollar to 31.6 NT dollars, management expects:

- Gross profit margin to be between 63% and 65%
- Operating profit margin to be between 54% and 56%

Future Outlook

Based on our current business outlook, management expects:

- 2026 revenue to increase by close to 30% in US dollar terms

From 2024 to 2029, management expects:

- Revenue CAGR to approach 25% in US dollar terms
- Long-term gross margin to be 56% and higher through the cycle
- ROE to be high-20s% through the cycle

Recap of Recent Major Events

- **TSMC 2025 Supply Chain Management Forum Presents Awards to Outstanding Suppliers (2025/11/28)**
- **TSMC Board of Directors Approved NT$6.00 Cash Dividend for the Third Quarter of 2025 and Set March 17, 2026 as Ex-Dividend Date, March 23, 2026 as the Record Date and April 9, 2026 as the Distribution Date (2025/11/11)**

- Please visit TSMC's website (https://www.tsmc.com) and Market Observation Post System (https://mops.twse.com.tw) for details and other announcements

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