台灣半導體股份有限公司

TAIWAN SEMICONDUCTOR CO., LTD.

2026 Annual General Meeting
(On-site meeting)

Meeting Agenda
(Translation)

June 17, 2026

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TAIWAN SEMICONDUCTOR CO., LTD.

Agenda of the 2026 Annual General Meeting

Time: 9:00 a.m. on June 17 (Wednesday), 2026

Place: No.96, Meizhou 2nd Rd., Yilan City, Yilan County 260023, Taiwan (R.O.C.)
(TAIWAN SEMICONDUCTOR CO., LTD. Yilan factory)

Attendants: (All Shareholders and their proxy holder)

Meeting Agenda:

1. Commencement

2. Chairman's Address

3. Report Items (Please refer to Page 2 - 19)
   (1) 2025 Business Report and 2026 Annual Business Plan Report
   (2) Audit Committee's 2025 Review Report
   (3) Status report on the Endorsement and Guarantee, Loaning of Company Funds, Regulations Governing the Acquisition and Disposal of Assets, the Trading of Financial Derivatives of the Company and its subsidiaries in 2025
   (4) Report on 2025 employees' profit sharing bonus and directors' compensation
   (5) Report on the Content and Amount of Performance Evaluation and Remuneration of Directors and Managers, and the Relationship between the Evaluation Results and the Reasonableness Report.
   (6) Report on the implementation status of repurchasing Company's shares.

4. Approval Items (Please refer to Page 20 - 42)
   (1) To accept 2025 Business Report and Financial Statements
   (2) To approve the company's 2025 Earnings Distribution

5. Discussion Item: None

6. Extraordinary Motions

7. Adjournment

Report Items

Report Items

1. 2025 Business Report and 2026 Annual Business Plan Report

Explanatory Notes: Please refer to Page 4~10 of the Meeting Agenda for the Business Report

1. 2025 Business Report

(1) Implementation of Business Plan

The Company's and its subsidiaries major businesses included the production and sale of rectifiers and barcode printers. In 2025, the earnings per share after tax was NT$2.07. The 2025 consolidated operating revenue, gross profit, operating income, net income before tax, net income, comprehensive income, and after-tax earnings per share compared to 2024 is presented below:

Unit: NT$ thousand

Item	Implementation of Business Plan		
	2025	2024	Increase (decrease)
Operating revenue	17,954,259	14,828,792	21.08%
Gross Profit	5,290,106	4,234,590	24.93%
Operating Income	1,468,136	1,257,215	16.78%
Net income before tax	1,433,139	1,328,359	7.89%
Net income	1,112,562	894,913	24.32%
Comprehensive income	1,025,353	1,100,383	(6.82%)
Net income attributable to the Parent Company	509,576	463,851	9.86%
Comprehensive income attributable to the Parent Company	479,727	636,032	(24.58%)
After-tax earnings per share (NT$)	2.07	1.87	10.70%

(2) Budget Implementation: The Company did not disclose its financial forecasts of the year of 2025, so it is not necessary to publicly disclose the implementation of the budget.

(3) Financial Status and Profitability

Unit: NT$ thousand

Item	Annual revenue and expenditure		
	2025	2024	Increase(decrease)
Interest Revenue	45,800	41,582	10.14%
Interest Expense	133,361	86,579	54.03%

Item		2025	2024
Financial Structure	Total debt to assets (%)	48.19	49.19
	Long-term asset to real estate, plant and equipment ratio (%)	374.31	357.73
Liquidity Analysis	Current ratio (%)	225.30	204.11
	Quick ratio (%)	145.39	130.80
Profitability	Return on assets (%)	5.69	4.98
	Return on equity (%)	10.15	8.27
	Profit ratio (%)	6.20	6.03
	After-tax earnings per share (NT$)	2.07	1.87

(4) Research and Development

(A) Rectifier

To increase our overall competitiveness and gross margin, the Company invests a great deal of manpower and budget every year in collecting market information, analyzing market demand, and setting the direction and strategy for new product development. As most of the mainstream products in the market today are becoming thin and light, our products are also actively developing toward small, energy-saving, and comprehensive in order to develop new markets. We have developed and increased market penetration in personal handheld products, automotive electronics, industrial control industry and white goods market.

In recent years, with self-developed chip technology and the advantage of automated packaging, we have continued to develop Schottky rectifier, R&D efforts in Fast Recovery Diodes (FRED), Transient Voltage Suppressor (TVS), MOSFET, ESD protection, and automotive low-dropout/low-power voltage regulator ICs, among other products.

The development of the new generation of trench Schottky rectifier, Fast Recovery Diodes (FRED), Super Junction MOSFET, and Shielded Gate Technology MOSFET that can effectively reduce conduction loss and switching loss to meet market trends and needs for environmental protection, energy-saving, and low power consumption. These new technologies will be developed in a full range to facilitate the promotion of active and passive safety applications for automotive electronics, electric vehicle battery management systems and charging modules, industrial, communications, and energy industries.

Since 2024, we have successfully developed and pioneered the introduction of the SuperClamp series within our Transient Voltage Suppressor (TVS) product line. With ultra-low clamping voltages that outperform the competition, these products will help customers further enhance system performance while achieving energy savings and reducing system costs.

At the same time, regarding emerging third-generation semiconductor technologies, we are actively investing resources in the research and development of related technologies and products. New models of Silicon Carbide Schottky Diodes (SiC Schottky Diode) have been launched successively, and research and development of Silicon Carbide Metal-Oxide-Semiconductor Field-Effect Transistors (SiC MOSFETs) is currently underway.

The development of ESD protection has been focused on products for static protection that meet various in-car communication standards and Ethernet requirements.

Additionally, a range of low power, high output current automotive low-dropout/low-power voltage regulator ICs are being developed to cover stable voltage supplies for automotive MCUs at 3.3V and 5V. Some of these have been independently developed and are currently undergoing more rigorous human and equipment investment for validation under automotive regulations, progressively meeting the AEC-Q100 automotive standards, with the hope of gaining recognition from automotive clients for high quality and service.

(B) Barcode printer

With the increase in applications for automatic identification in the global market, the Company spent NT$604,239 thousand on research and development in 2025, accounting for 5.2% of the revenue and will continue to promote innovation and product upgrades in corporate mobile computers, label printers, and RFID readers. Through comprehensive technological advancements, we are actively investing in the research and development of hardware and system technologies related to AI, IoT, and automatic identification. Additionally, we are developing cloud solutions, integrated hardware and software solutions, and system integration. We collaborate with partners to integrate the cloud platform ecosystem and are committed to meeting the multiple needs of enterprises in AIDC industry applications. We also ensure that our products offer excellent scalability and configuration flexibility to adapt to future developments. At the same time, we will continue our commitment to environmental sustainability by investing in eco-friendly materials, low-carbon printing solutions, and energy-efficient products, to create energy-saving, recyclable, and low-carbon products. By positioning ESG as one of our core competitiveness, we aim to attract more international end customers to purchase.

2. 2026 Business Plan

Guided by our core principles of sound management and sustainable development, the Company continues to deepen technology research and development, optimize the product portfolio, expand the global market presence, and strengthen supply chain resilience and operational efficiency. In response to global macroeconomic shifts and industrial restructuring, the Company takes the principles of "Leading Technology, Quality-First, Customer-Oriented, and Global Expansion" to drive the advancement and market penetration of power semiconductor and power management products, and focuses on high-value fields such as automobiles, industrial control, and power management to enhance our competitiveness and create long-term shareholder value.

(1) Business Policy

(A) Rectifier

(1) Global marketing and brand establishment

Continue to optimize our global marketing channels and local technical service centers, while strengthening collaborative development and application introduction with strategic customers. At the same time, we will also expand our brand visibility in key markets such as automobiles, industrial control, and power management, focusing on design requirements for high reliability, long lifespan, and high efficiency to build a differentiated value proposition.

(2) Innovative research/development and leading technology

Continue to expand and strengthen our R&D team to accelerate the R&D of new generation products and integration solutions; and ensure that our core technology, such as Rectifier, Metal-Oxide-Semiconductor Field Effect Transistor (MOSFET), and Trench Schottkys, remain prominent.

(3) Production upgrade and cost optimization

Introduce advanced production equipment, automation systems, and smart manufacturing technologies to improve capacity utilization and process yield, thereby enhancing production efficiency and ensuring consistent quality. Optimize production workflows, reduce the risk of anomalies, and improve overall operational efficiency through data-driven management and real-time process monitoring.

Actively promote advanced packaging technologies (including ultra-thin bonding and higher current density solutions) and process optimization to reduce unit manufacturing costs while improving product performance and reliability. In product development, introduce modular design and shared platform management mechanisms to shorten the transition cycle from design to mass production, increase delivery flexibility and market responsiveness, and further strengthen cost competitiveness and profitability.

(4) Vertical integration and strategic alliance

Establish a comprehensive supply chain from the upstream of wafer products to the downstream of system applications; engage in close collaboration with internationally-prestigious companies and multi-national designing service partners for enhancing supply stability and operational resilience under geopolitical risks, and jointly research and develop revolutionary products to integrate solutions tailoring the diverse market demands.

(B) Barcode printer

The Group will leverage our "One Brand" strategy and global marketing platform as the core, integrating product lines and regional market resources to build a unified marketing ecosystem; and adopt data-driven marketing to enhance the promotion accuracy and accelerate synergies across product lines and markets. In addition, the Company will continue to strengthen the global distribution ecosystem by enhancing market penetration capabilities through standardized partnership programs, long-term capacity-building initiatives, and solution tools. In response to trends such as IoT, AI, and smart logistics, TSC will expand its strategic role in key application scenarios to drive technology adoption and enhance brand influence. Through global brand building, integrated marketing ecosystem, and robust distribution network, TSC will continue to expand its market share, strengthen the long-term growth momentum of corporate value, and steadily advance toward the goal of becoming a leading international brand. In response to the growing emphasis on ESG sustainability among global companies, the Company will continue our commitment to environmental sustainability by investing in eco-friendly materials, low-carbon printing solutions, and energy-efficient products to create energy-saving, recyclable, and low-carbon products.

(2) Important Production and Marketing Policies

(A) Rectifier

The Company adopts the combination mode of build-to-stock and make-to-order production. In this regard, production arrangements are flexibly adjusted based on market demands, inventory status, and production capacity planning. Process optimization is continuously implementation to reduce costs, increase productivity, and enhance product competitiveness through lean management and automated production. It also ensures optimal inventory level and supply flexibility, providing most ideal deployment of resources and maximum efficiency of operations.

(B) Bar Code printer

The Company's primary sources of revenue include the sale and servicing of complete automatic identification label printers, the sale of consumables and labels, and corporate mobile computers. Sales volumes are reasonably prepared based on factors such as the Company's annual sales objectives, market demand and trends, customer operational conditions, and the Company's current order intake, while taking into account the Company's operational scale. It is anticipated that the Company's performance will follow a stable growth trajectory, which will have a positive impact on financial and operational status.

On the basis of above forecast, future production and marketing policies will focus on the following:

1. Ensure stability and quality of supplies from important suppliers and maintain appropriate inventory levels and turnover rates.
2. Continuously expand the global operational scale and strengthen the core competitive strength of the company's operational fundamentals.
3. Provide all-around high-quality service to build sustainable business capabilities.

(3) Operation Goals

(A) Rectifier

The Company's main products cover rectifier diodes, power MOSFETs, protection components, and analog/power management ICs. Based on the comprehensive assessment of annual sales objectives, overall market demand, and order intake, the expected performance will maintain a steady growth trajectory. Growth momentum will come from increased introduction in the automotive and industrial control, as well as greater penetration in applications such as efficiency upgrades for telecommunications and data center power supplies, while the Company continues to optimize revenue structure and profitability.

(B) Bar Code Printer

The Company's major source of income is the sales and service of automatic identification label printers, the sales of label paper consumables, and the sales of corporate mobile computers. The sales volume is based on the Company's annual sales objectives, market demand, development trend, customers' operating overview, the Company's current order intake, etc., and is reasonably prepared considering the Company's operational scale. It is expected that the Company's performance will show a stable development trend, which will have a positive impact on the Company's financial and business conditions.

3. Future Development Strategies and Influence from External Competition, Regulations and Macro-operating Environment

(1) Future Development Strategies

(A) Rectifier: Continuing to innovate technology, improve research and development, increase product value, fortify technological barriers, complete upstream and downstream deployment to strengthen integration benefits. Develop comprehensive product solutions and enhance efficiency, pressure resistance, and power density through advanced manufacturing processes and structural optimization, thereby increasing the products' value. In terms of market strategy, deepening our presence in the automotive, industrial control, and power management sectors, actively penetrating emerging application markets, accelerating design introduction, and raising market entry barriers while enhancing customer loyalty.

(B) Bar Code printer: Continuously adhering to the customer-centered principle, we persist in integrating brand, product, marketing, and customer service to offer a unified service and experience, thereby strengthening the market image and enhancing competitive advantage. By understanding the various application changes of different industry customers worldwide and collaborating more closely with upstream and downstream partners, we explore new customers, new solutions, innovative service models, and develop new products with a new business mindset, creating multiple win-win growth opportunities.

(2) Influence from External Competition

(A) Rectifier

Facing the intensifying price competition in the mid-to-low-end market, the Company has consistently adhered to a core differentiation strategy of high-standard design, high-reliability quality, and system performance optimization. We continue to enhance the technological sophistication and application value of our products, while optimizing our overall product portfolio and profit structure to ensure operational quality and long-term competitive advantage.

The Company focuses on application markets with high technical barriers and stringent quality requirements, such as automotive, industrial control, and power management, and continues to introduce high-efficiency, low-loss, and high-temperature-rated products, while strengthening the capabilities in providing comprehensive solutions and design introduction abilities to improve project success rates and order visibility. Through product structural optimization and continuous technological upgrades, we will steadily strengthen our brand positioning and competition advantages in the market, while balancing energy conservation, carbon reduction, and sustainability goals to create long-term and stable corporate value.

(B) Bar Code printer

The main competition and development trends are as follows:

1. Vertical integration and increased competition from cross-product suites
   Major brands continue to expand the scope of their products and services through mergers and acquisitions or platform-based strategies. For example, Zebra has gradually evolved from a hardware supplier into a comprehensive solutions provider, strengthening its upstream integration in the retail and logistics fields by acquisitions to enhance its capabilities in self-service devices, touchscreen systems, software, cloud management, and payment solutions.
2. Rapid growing in demand of RFID and IoT
   As RFID penetration rate has grown, the market has seen an increase in demand for new types of readers, such as high-density, multi-antenna, and fixed-mount models for bookcases/door frames/vehicles. The focus of competition is gradually shifting from “hardware performance” to the integration capabilities of “hardware + middleware + IoT platforms,” requiring manufacturers to possess more comprehensive data integration and device management capabilities.
3. Software and service platforms as key differentiation factors
   Competition across product lines is no longer just about hardware specifications, but about who can provide a more comprehensive solution:
   - Remote Device Management (MDM / FMS)
   - Fleet/Asset Management
   - Predictive maintenance
   - Consumables and label management
   - Cloud application integration capabilities

   These software and services have gradually become important factors for companies to choose brands.
4. Sustainability trends and cost pressures drive innovation
   Linerless labels, carbon reduction, and consumables optimization have become key drivers for label printers. At the same time, changes in global supply chain costs, raw material prices, and shipping expenses have put manufacturers under pressure regarding pricing and profitability, prompting brands to focus on product designs with higher efficiency and lower TCO (Total Cost of Ownership).

In summary, market competition is shifting from "hardware vs. hardware" to "comprehensive solutions, ecosystems, and digital services". Manufacturers must leverage technological innovation, hardware-software integration, and collaboration within the industry ecosystem to meet the operational needs in accelerate digitalization from various industries.

(3) Influence from Regulations

(A) Rectifier

As the global environmental protection, energy-saving, and product safety requirements become increasingly stringent, the semiconductor industry is faced by higher standards for regulatory compliance and quality management. The market demand for power components in regard to environmentally-friendly materials, low energy consumption, high efficiency, and miniaturization continues to increase. The Company has actively responded to these regulatory and industry standards changes in terms of our product design, process control, and R&D innovations to ensure that our products not only comply with national standards, but also maintain technological leadership and high reliability.

1. Non-halogen environmental design – adapting to the EU RoHS norms
   All series of our products are made of non-halogen materials to comply with the EU RoHS norms. Through the selection of environmentally-friendly materials and the management of the supply chain, we are able to reduce the use of hazardous substances while ensuring product reliability and performance stability.
2. Enhancing efficiency - in response to energy efficiency standards such as EISA
   For the design of rectifiers and power components, we focus on reducing the wastage of electrical property and packaging optimization to improve conversion efficiency and power density. For the home appliance and power supply application markets, Schottkys components are designed for high voltage tolerance, quick recovery, and low consumption to meet the requirements of stand-by energy consumption and power conversion efficiency.
3. Enhancing efficiency - in response to energy efficiency standards such as EISA
   Our Schottkys products, which are low-consuming with high junction temperature, are suitable for solar modules and power converters. We assist customers in achieving high-performing energy conversion while pursuing environmental protection and energy conservation.
4. Technological innovation and support for electric vehicles
   The charging architectures of electric vehicles have been changed toward high-voltage AC-to-DC, and the power system has been upgraded from 12V/24V to 48V. In response to this trend, we have launched high-voltage fast-recovery diodes, ultra-low power rectifiers, and trench Schottky components. These products are developed and designed in accordance with automotive quality management systems and relevant certification standards to enhance their suitability and competitiveness in electric vehicle powertrain and charging systems.

(B) Bar Code Printer

There haven't been significant influences for the Company that attributes to the important policy and law changes domestic and foreign in recent years.

(4)Influence from Macro-operating Environment

(A) Rectifier

In the era where the global economy is integrated deeply, and the electronic industry is rapidly evolving, the Company persists in introducing cutting-edge technology and comprehensive solutions through our well-established network of global channels as well as locations for technical service to provide efficient, reliable, and forward-looking products and services. Because this globalized deployment effectively connects the Company with resources such as customers and supply chains from all over the world, enabling the Company to adapt to market fluctuations and industry changes, the Company can accomplish steady growth in the fierce market competition and continuously enhance the brand value.

In the background of global supply chain rebalancing and heightened geopolitical risks, the Company has strengthened supply chain resilience and risk diversification capabilities by strategically deploying global sales and technical service locations, combined with multi-location manufacturing and diversified purchasing strategies. At the same time, the Company continues to introduce efficient and reliable power and protection components to support our customers' upgrade and transformation needs in the automobiles, industrial control, communications, and renewable energy sectors, thereby deepening our long-term partnerships and strengthening our competitive edge in the market.

Facing the multiple impacts of the overall business environment, the Company has adopted the strategies to deepen our presence in specific regions and diversify our operations to drive market expansion and industry development.

- North America
  Concentrating on mature application sectors such as automobiles, industry, telecommunication, and illumination; and continuously optimizing our product structure and increase the proportion of high-value-added products to improve profitability.
- Japan and Korea
  Focusing on the automobiles, industrial, and power management application markets; and enhancing customer loyalty and brand trust through refined technical service and high-quality products.
- Europe
  Highlighting the automotive electronics, industrial automation, and renewable energy; and responding to the European market's demand for green, energy-saving, and high-efficiency technologies to increase the market penetration of our high-quality products.
- China and emerging markets
  Covering consumer electronics, automobiles, and industry while expanding our reach to emerging markets such as India, South Asia, and South America. Driven by the growth of the domestic demand market and infrastructure development, demand for power components is increasing, creating momentum for the company's medium- to long-term growth.

Overall, through the optimization of our global footprint, the strengthening of our supply chain, and a strategy focused on high-value products, the Company has responded steadily to changes in the overall business environment, continuously enhancing operational flexibility and market competitiveness, and laying a solid foundation for sustainable development of the Company.

(B) Bar Code Printer

The Company follows all changes of regulation.

In the future, with the growing stability and the expansion of the applied field of rectifier and bar code printer markets, the Company and each subsidiary company will uphold our innovative, professional, and dedicated corporate philosophy. Also, keep strengthening the research and development and salability, improve our performance, and company profits, in order share the profits with the stockholders, clients, and employees.

Chairman: Wang, Shiu-Ting President: Wang, Shiu-Ting CFO: Cheng, I-Cheng

No.2:
Audit Committee’s 2025 Review Report

Explanation:
The Audit Committee’s Review Report is attached as P.12.

TAIWAN SEMICONDUCTOR Co., LTD.
Audit Committee's Review Report

The Board of Directors has prepared the business report, individual financial report, consolidated financial report, and surplus earnings distribution proposal of 2025 of the company. Among them, the individual financial report and consolidated financial report were appointed by the board of directors to accountants Guo, Yang-Lun and Xiao, Pei-Ru of KPMG to complete the audit and issue an audit report. The business report, individual financial report, consolidated financial report, and surplus earnings distribution proposal are reviewed by the Committee and found true and correct. The Committee hereby submits the aforementioned reports and proposal for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Submitted to:

2026 Annual General Meeting of TAIWAN SEMICONDUCTOR Co., LTD.

TAIWAN SEMICONDUCTOR Co., LTD.

Convener of Audit Committee: Jhan, Cian-Long

Audit Committeeman: Ma, Shu-Zhuang

Audit Committeeman: Chen, Shu-Ling

Audit Committeeman: Wang, Nian-Qiu

March 13, 2026

3. Status report on the Endorsement and Guarantee**,** Loaning of Company Funds, Regulations Governing the Acquisition and Disposal of Assets, the Trading of Financial Derivatives of the Company and its subsidiaries in 2025.

Explanation:

(1) The Endorsement and Guarantee of the Company and its subsidiaries:

1. Until December 31, 2025, there is no Endorsement and Guarantee by the Company.
2. Until December 31, 2025, there are USD 13.5 million and EUR 40,000 of the aggregate balance of endorsements guarantees by its subsidiaries.

(2) Loaning of Company Funds of the Company and its subsidiaries

1. Until December 31, 2025, there is no loaning of the Company.
2. Until December 31, 2025, the balance of loaning of each subsidiary is USD 6.08 million and EUR 19.916 million.

(3) Acquisition and Disposal of Assets

1. As of December 31, 2025, our company did not reach the reporting threshold; the amount of buying or selling the same securities did not exceed three hundred million New Taiwan Dollars.
2. As of December 31, 2025, our company did not reach the reporting threshold; the amount of buying or selling the same securities did not exceed three hundred million New Taiwan Dollars.

(4) Trading of Financial Derivatives

1. The Company's realized loss of Trading of Financial Derivatives in 2025 is NTD 6,856 thousand which was listed under non-operating expenditures. Until December 31, 2025, the trading transaction of unexpired financial derivatives is USD 2 million. The estimated unrealized loss is NTD 160 thousand.
2. The subsidiary's realized loss of Trading of Financial Derivatives in 2025 is NTD 4,949 thousand and be listed under non-operating expenditures. Until December 31, 2025, the trading transaction of unexpired financial derivatives is EUR 3 million. The estimated unrealized benefit is NTD 376 thousand.

4. Report on 2025 employees' profit-sharing bonus and directors' compensation

Explanation:

According to Article 20 of the Article of Incorporation, in 2025, the Company contributes 1% as the remuneration of the directors (NTD 5,617,538) and 6% as the employees' consideration (NTD 33,705,226) (Including 1% non-executive employees' compensation). All will be paid by cash.

5. Report on the Content and Amount of Performance Evaluation and Remuneration of Directors and Managers, and the Relationship between the Evaluation Results and the Reasonableness Report.

Explanation: In accordance with Article 7 of the "Organizational Regulations of the Remuneration Committee" of the Company, the Remuneration Committee shall regularly assess the achievement of performance goals of directors and managers, and based on the evaluation results obtained according to the performance evaluation criteria, determine the content and amount of remuneration and submit it to the shareholders' meeting. The relevant report on the relationship and reasonableness of the evaluation results is as follows:

TAIWAN SEMICONDUCTOR Co., LTD.

Report on the Performance Evaluation Results of the Board of Directors, Functional Committees, Individual Directors, and Individual Committee Members for the Year 2025

<table>
<tr>
<th>Performance Evaluation Mechanism and Scope:</th>
<th>Assessment Period</th>
<th>Self-Assessment Results of Performance</th>
<th>The content and amount of remuneration for directors and executives are correlated with the results of performance evaluations and deemed reasonable.</th>
</tr>
<tr>
<td>To implement corporate governance, the company conducts the annual performance evaluation of the board of directors for the current year in December, based on the "Organizational Regulations of the Remuneration Committee of TAIWAN SEMICONDUCTOR Co., LTD." passed by the board of directors and the "Board Performance Evaluation Method." The evaluation scope includes the overall operation of the board of directors, functional committees, as well as the performance of individual directors and committee members. The evaluation results and improvement plans are reported to the board of directors.
In accordance with Article 37 of the Company's Corporate Governance Guidelines, evaluations are conducted on internal board of directors, functional committees, individual directors, and individual committee members from five and six dimensions, respectively. Five dimensions include:
1. Participation in company operations
2. Enhancement of the quality of board decisions
3. Composition and structure of the board of directors
4. Appointment and continuous education of directors
5. Internal control
Six dimensions include:</td>
<td>From January 1, 2025 to December 31, 2025</td>
<td>1. Self-assessment of the board of directors' operation performance:
Includes five dimensions and a total of 45 indicators, with a score of Excellent (average of 4.97 points), indicating that the board of directors not only actively participates in the company's operations but also fulfills its responsibilities in guiding and supervising the company's strategies, major business, and risk management. They have also established appropriate internal control systems in accordance with corporate governance requirements.
<table>
<tr><th>Self-Assessment in Five Dimensions</th><th>Assessment Items</th><th>Scoring Results</th></tr>
<tr><td>1. Degree of Participation in Company Operations</td><td>12 items</td><td>4.93</td></tr>
<tr><td>2. Enhancement of Board Decision Quality</td><td>12 items</td><td>4.96</td></tr>
<tr><td>3. Composition and Structure of the Board of Directors</td><td>7 items</td><td>4.96</td></tr>
<tr><td>4. Appointment and Continuous Education of Directors</td><td>7 items</td><td>5.00</td></tr>
<tr><td>5. Internal Control</td><td>7 items</td><td>5.00</td></tr>
</table>
2. Self-assessment of individual directors' performance:
Includes six dimensions and a total of 23 indicators, with a score of Excellent (average of 4.97 points), indicating positive evaluations from both general directors and independent directors regarding the efficiency and effectiveness of the current operation of the company's board of directors.
<table>
<tr><th>Self-Assessment in Six Dimensions</th><th>Assessment Items</th><th>Scoring Results</th></tr>
<tr><td>1. Mastering company goal and tasks</td><td>3 items</td><td>5.00</td></tr>
<tr><td>2. Cognition of directors’ duty</td><td>3 items</td><td>5.00</td></tr>
<tr><td>3. Degree of cohesion toward company operation</td><td>8 items</td><td>4.95</td></tr>
<tr><td>4. Internal relationship operation and communication</td><td>3 items</td><td>4.90</td></tr>
<tr><td>5. Director’s professionalism and continuous advanced study programs</td><td>3 items</td><td>4.95</td></tr>
<tr><td>6. Internal control</td><td>3 items</td><td>5.00</td></tr>
</table>
3. Self-assessment of the audit committee's operation performance:
Includes five dimensions and a total of 22 indicators, with a score of Excellent (average of 4.99 points), indicating that the audit committee operates maturely, fulfills its supervisory responsibilities for compliance with relevant laws, risk management, and</td>
<td>For director remuneration, it is governed by Article 20 of the company's articles of association. It may be allocated within 1% of the annual profit, considering the company's operational results and the individual's contribution to company performance.
As for executive compensation policy and procedures, they adhere to the company's salary management regulations and the salary levels in the industry market for the respective positions. The determination of compensation follows the company's annual performance evaluation guidelines. This evaluation considers both the overall company performance, industry risks, and future trends, as well as individual performance and contribution to company objectives.
The reasonableness of performance assessments and compensation is reviewed by the Compensation Committee and the Board of Directors. The compensation system is periodically reviewed to ensure alignment with actual operating conditions and relevant laws, aiming to achieve a balance between sustainable business operations and risk management.</td>
</tr>
</table>

1. Understanding of company goals and missions
2. Recognition of director duties
3. Participation in company operations
4. Internal relationship management and communication
5. Professionalism and continuous education of directors
6. Internal control。

The assessment results are presented in five levels, with the following principles:
Score 1: Poor (Strongly Disagree); Score 2: Fair (Disagree); Score 3: Average (Neutral); Score 4: Good (Agree); Score 5: Excellent (Strongly Agree)

audit matters, fully leveraging its professional capabilities to effectively supervise the overall operation of the company.

Self-Assessment in Five Dimensions	Assessment Items	Scoring Results
1. Degree of Participation in Company Operations	4 items	4.94
2. Understanding of Functional Committee Responsibilities	5 items	5.00
3. Enhancement of Functional Committee Decision Quality	7 items	5.00
4. Composition and Member Selection of Functional Committees	3 items	5.00
5. Internal Control	3 items	5.00

4. Self-assessment of individual audit committee members' performance:
Includes five dimensions and a total of 22 indicators, with a score of Excellent (average of 4.99 points), indicating positive evaluations from the audit committee members regarding the efficiency and effectiveness of the current operation of the company's audit committee.

Self-Assessment in Five Dimensions	Assessment Items	Scoring Results
1. Degree of Participation in Company Operations	4 items	4.94
2. Understanding of Functional Committee Responsibilities	5 items	5.00
3. Enhancement of Functional Committee Decision Quality	7 items	5.00
4. Composition and Member Selection of Functional Committees	3 items	5.00
5. Internal Control	3 items	5.00

5. Self-assessment of the remuneration committee's operation performance:
Includes four dimensions and a total of 18 indicators, with a score of Excellent (average of 4.99 points), indicating that the remuneration committee operates soundly and effectively fulfills its duties and functions.

Self-Assessment in Four Dimensions	Assessment Items	Scoring Results
1. Degree of Participation in Company Operations	4 items	4.94
2. Understanding of Functional Committee Responsibilities	5 items	5.00
3. Enhancement of Functional Committee Decision Quality	6 items	5.00
4. Composition and Member Selection of Functional Committees	3 items	5.00

6. Self-assessment of individual remuneration committee members' performance:
Includes four dimensions and a total of 18 indicators, with a score of Excellent (average of 4.99 points), indicating positive evaluations from the remuneration committee members

regarding the efficiency and effectiveness of the current operation of the company's remuneration committee.

Self-Assessment in Four Dimensions	Assessment Items	Scoring Results
1. Degree of Participation in Company Operations	4 items	4.94
2. Understanding of Functional Committee Responsibilities	5 items	5.00
3. Enhancement of Functional Committee Decision Quality	6 items	5.00
4. Composition and Member Selection of Functional Committees	3 items	5.00

7. Self-assessment of the corporate sustainable development committee’s operation performance:
   Includes four dimensions and a total of 16 indicators, with a score of Excellent (average of 4.99 points), indicating that the corporate sustainable development committee operates well and effectively implements sustainable governance standards.

Self-Assessment in Four Dimensions	Assessment Items	Scoring Results
1. Degree of Participation in Company Operations	4 items	4.94
2. Understanding of Functional Committee Responsibilities	3 items	5.00
3. Enhancement of Functional Committee Decision Quality	6 items	5.00
4. Composition and Member Selection of Functional Committees	3 items	5.00

8. Self-assessment of individual corporate sustainable development committee’s performance:
   Includes four dimensions and a total of 16 indicators, with a score of Excellent (average of 4.99 points), indicating positive evaluations from the corporate sustainable development members regarding the efficiency and effectiveness of the current operation of the company’s sustainable development.

Self-Assessment in Four Dimensions	Assessment Items	Scoring Results
1. Degree of Participation in Company Operations	4 items	4.94
2. Understanding of Functional Committee Responsibilities	3 items	5.00
3. Enhancement of Functional Committee Decision Quality	6 items	5.00
4. Composition and Member Selection of Functional Committees	3 items	5.00

6. Report on the implementation status of repurchasing the Company's shares.

Explanation: Report on the implementation status of repurchasing the Company's shares is as follows:

Items	The 8th Repurchase (First time in 2025)
1. Basis	Pursuant to the resolution of the 8th meeting of the 16th Board of Directors of the Company dated April 24, 2025, regarding the repurchase of shares
2. Purpose of repurchase	Transfer shares to employees
3. Planned price range for repurchase	NT$ 35 to NT$ 70
4. Actual repurchase period	From May 5, 2025 to June 23, 2025
5. Planned repurchase quantity	3,000,000 shares
6. Actual repurchased quantity	3,000,000 shares
7. Total repurchased amount	NT$ 141,417,215
8. Current average repurchase price per share	NT$ 47.14
9. Total shares of the Company held	3,000,000 shares
10. Percentage of the Company's total issued shares held	1.14%
11. Reasons why the execution was not completed	The execution has been completed. The execution rate is 100%.
12. Types of repurchased shares	Common stock
13. Number of shares canceled and transferred	1. The shares will be transferred to employees in installments, and the share payments will be made in installments. 2. As of April 20, 2026, the Company has transferred 191,250 shares. Subsequent procedures shall be carried out in accordance with the regulations and operational guidelines governing the transfer of repurchased shares to employees.

Approval Items

Approval Items

Proposal 1 Proposed by the Board

Proposal: To accept 2025 Business Report and Financial Statements

Explanation:

(1) The Company's 2025 business report, standalone financial statement, and consolidated financial statements have been approved by the Board and examined by the audit committee.

(2) The business report, standalone financial statement, and consolidated financial statements are attached in the Meeting Agenda, P. 4-10, 22-40.

Resolution:

安侯建業聯合會計師事務所
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Independent Auditors' Report

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

Opinion

We have audited the financial statements of TAIWAN SEMICONDUCTOR CO., LTD.("the Company"), which comprise the balance sheet as of December 31, 2025 and 2024, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of the other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Matter

We did not audit the financial statements of certain subsidiaries of TSC Auto ID Technology Co., Ltd. (TSC Auto ID) included in the Company's investments accounted for using the equity method as of December 31, 2025. Those financial statements were audited by other auditors. Therefore, the amounts recognized in the financial statements of those subsidiaries of TSC Auto ID included in the opinion expressed by us on the aforementioned individual financial statements were based on the audit reports of other auditors. As of December 31, 2025, the amount of investments in TSC Auto ID's subsidiaries accounted for 5.78% of total assets. For the year ended December 31, 2025,the share of profits from subsidiaries accounted for using the equity method represented 4.06% of net income before taxes.

We did not audit the financial statements of TSC Auto ID Technology Co., Ltd. (TSC Auto ID) as of December 31, 2024, which were included in our client's investments accounted for using the equity method. Those financial statements were audited by other auditors. Therefore, in our opinion on the aforementioned entity's financial statements, the amounts recognized in TSC Auto ID's financial statements were based on the audit report of other auditors. As of December 31, 2024, the amount of the investment in TSC Auto ID accounted for 10.49% of total assets. For the year ended December 31, 2024, the share of profit from the subsidiary recognized using the equity method accounted for 39.31% of net income before taxes.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

   Please refer to note 4(m) to financial statements for accounting policy of revenue recognition; and note 6(p) “Revenue from contracts with customers” for details on the related explanation.

   Description of the key audit matter:

   The main business items of the Company are the manufacture and sale of rectifiers. Revenue recognition is one of the key assessment matters in our audit. Revenue is the key indicator to evaluate the performance by investors and management. Therefore, the assessment of revenue recognition is one of our key audit matters.

   How the matter was addressed in our audit:

   Our key audit procedures included: (i) testing the relevant control over the sales and collection cycle to determine the reliability of revenue records. (ii) checking and adjusting the data of sales system and general ledger entries, and evaluating whether the conditions of sale are consistent with the recognition of accounting policies. (iii) Performing trend analysis on the top ten sales customers to assess whether there are any material abnormality. (iv) Examining selected shipments for a period before and after the balance sheet date of the Company, and check relevant vouchers and forms to determine whether the sales revenue is included in the appropriate period of the financial statements.

2. Impairment on investment accounted for using the equity method

   Please refer to note 4(h) “Investment in subsidiaries” and (l) “Impairment of non-financial assets” of the financial statements for the details on the accounting policy about investments accounted for using equity method; note 5(c) “Investments impairment assessment for using equity method “for details on the significant accounts assumptions and judgments; note 6(e)” investments accounted for using equity method” for details on the related explanation.

   Description of the key audit matter:

   When TSC Auto ID Technology (TSC Auto ID) obtained the business combinations and its control, and recognized a goodwill in the consolidated financial report, the amount is regarded as material. Besides, evaluating whether goodwill is impaired depends on the estimation of the future cash flow of the cash-generating unit to determine the recoverable amount. The estimation of the future cash flow involves industrial environment and the forecast of the future operating results. Once the indicators of the forecast change, the recoverable amount will change as well and may cause an impairment loss. Due to the investments are the important investees and the amount is regarded as material. Therefore, the assessment of impairment on investment is one of our key audit matters.

   How the matter was addressed in our audit:

   Our key audit procedures included (i) obtaining the report of the assessment of impairment loss of goodwill provided by the evaluation expert commissioned by the management of TSC Auto ID, and the goodwill impairment test assessment performed by the management.(ii) understanding and assessing the reasonableness of the recoverable amount based on the evaluation model. (iii) comprehensively assessing the reasonableness of the assessment of impairment loss of goodwill based on the assumption used in the evaluation model, including the sales growth rate, profit margin, weighted average cost of capital (WACC, which includes the risk-free rate and the risk premium), and considering TSC Auto ID's operational status, industry conditions, and future outlook to comprehensively assess the reasonableness of the report of the assessment of impairment loss of goodwill.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

Taipei, Taiwan (Republic of China)
March 13, 2026

Notes to Readers

The accompanying parent company only financial statements are intended only to present the 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 audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying parent company only 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' audit report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAIWAN SEMICONDUCTOR CO., LTD.

Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025			December 31, 2024	
	Assets		**Amount**	**%**	**Amount**	**%**
	Current assets:					
1100	Cash and cash equivalents (note 6(a))	$	669,109	6	562,610	5
1110	Current financial assets at fair value through profit or loss - current (note 6(b))		60,068	1	20,089	-
1150	Notes receivable, net (note 6(c))		-	-	12	-
1170	Accounts receivable, net (note 6(c))		564,049	5	490,650	5
1180	Accounts receivable due from related parties, net (note 7)		524,507	5	526,973	5
1200	Other receivables (note 7)		53,463	-	31,252	-
1220	Current tax assets		-	-	89,684	1
130X	Inventories(note6(d))		909,308	9	1,083,837	10
1479	Other current assets		82,370	1	74,286	1
			2,862,874	27	2,879,393	27
	Non-current assets:					
1510	Non-current financial assets at fair value through profit or loss (note 6(b))		125,237	1	66,152	-
1551	Investments accounted for using equity method (note (e))		5,550,786	52	5,192,648	50
1600	Property, plant and equipment (note (f))		1,893,461	18	2,086,694	20
1755	Right-of-use assets (note (g))		694	-	2,359	-
1822	Intangible assets (note (h))		41,744	-	55,786	1
1840	Deferred tax assets (note (m))		67,601	1	60,299	1
1980	Other non-current financial assets (note (b))		1,435	-	18,143	-
1990	Other non-current assets		89,842	1	124,673	1
			7,770,800	73	7,606,754	73
	Total assets	**$**	**10,633,674**	**100**	**10,486,147**	**100**

		December 31, 2025			December 31, 2024	
	Liabilities and Equity		**Amount**	**%**	**Amount**	**%**
	Current liabilities:					
2100	Short-term borrowings (note 6(i))	$	408,590	4	445,065	5
2120	Current financial liabilities at fair value through profit or loss (note 6(b))		175	-	859	-
2170	Accounts payable		283,150	3	250,992	2
2181	Accounts payable to related parties (note 7)		713,957	7	323,092	3
2220	Other payables to related parties (note 7)		20,300	-	43,971	-
2230	Current tax liabilities		2,879	-	113,137	1
2320	Long-term borrowings, current portion (note 6(j))		120,052	1	106,683	1
2280	Lease liabilities, current (note 6(k))		404	-	957	-
2399	Other current liabilities		302,380	3	330,636	3
			1,851,887	18	1,615,392	15
	Non-Current liabilities:					
2541	Long-term borrowings (note 6(j))		702,364	6	644,675	6
2570	Deferred tax liabilities (note 6(m))		433,280	4	425,721	4
2580	Lease liabilities non-current (note (k))		-	-	403	-
2640	Net defined benefit liability, non-current (note 6(l))		3,304	-	5,602	-
			1,138,948	10	1,076,401	10
	Total liabilities		2,990,835	28	2,691,793	25
	Stockholder' equity attributable to parent:(note 6(n))					
3110	Common stock		2,634,854	25	2,634,854	25
3200	Capital surplus		2,290,130	22	2,252,984	22
3300	Retained earnings		3,734,784	35	3,751,072	36
3400	Other stockholders' equity		(275,634)	(3)	(244,678)	(2)
3500	Treasury shares		(741,295)	(7)	(599,878)	(6)
	Total equity		7,642,839	72	7,794,354	75
	Total liabilities and equity	**$**	**10,633,674**	**100**	**10,486,147**	**100**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAIWAN SEMICONDUCTOR CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	%	Amount	%
4110	Total sales revenue (note 6(p) and 7)	$ 4,714,632	104	4,295,553	102
4190	Less: Sales discounts and allowances	165,069	4	98,547	2
	Net operating revenues	4,549,563	100	4,197,006	100
5000	Cost of goods sold (note 6(d) and 7)	3,962,077	87	3,489,795	83
	Gross profit	587,486	13	707,211	17
5910	Realized (unrealized) gains from sales	23,008	1	(354)	-
		610,494	14	706,857	17
6000	**Operating expenses (note 6(l), (r) and 7):**				
6100	Selling expenses	392,517	9	351,858	8
6200	Administrative expenses	180,939	4	198,054	5
6300	Research and development expenses	141,019	3	126,066	3
6450	Expected credit losses(note 6(c))	771	-	151	-
		715,246	16	676,129	16
	Operating income (loss)	(104,752)	(2)	30,728	1
	Non-operating income and expenses (note 6(q) and 7):				
7100	Interest income	5,154	-	5,476	-
7010	Other income	8,502	-	15,649	-
7020	Other gains and losses	40,484	1	84,863	2
7050	Finance costs	(29,394)	(1)	(24,400)	-
7070	Share of profit of subsidiaries accounted for using equity method (note 6(e))	602,436	13	419,887	10
		627,182	13	501,475	12
	Profit before income tax	522,430	11	532,203	13
7950	**Less: Income tax expenses (note 6(m))**	12,854	-	68,352	2
	Profit	509,576	11	463,851	11
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(l))	2,015	-	1,328	-
8330	Share of other comprehensive income of subsidiaries accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(908)	-	(3,999)	-
		1,107	-	(2,671)	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(30,956)	(1)	174,852	4
		(30,956)	(1)	174,852	4
8300	**Other comprehensive income (after tax)**	(29,849)	(1)	172,181	4
	Comprehensive income	**$ 479,727**	**10**	**636,032**	**15**
	Basic earnings per common share (NT dollars) (note 6(s))	**$**	**2.07**		**1.87**
	Diluted earnings per common share (NT dollars) (note 6(s))	**$**	**2.07**		**1.87**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAIWAN SEMICONDUCTOR CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Total other equity interest		
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Treasury shares	Total equity
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
Net income	-	-	-	-	463,851	463,851	-	-	463,851
Other comprehensive income	-	-	-	-	(2,671)	(2,671)	174,852	-	172,181
Total comprehensive income	-	-	-	-	461,180	461,180	174,852	-	636,032
Subsidiaries purchase of treasury shares	-	-	-	-	-	-	-	(93,835)	(93,835)
Appropriation and distribution of retained earnings:									
Provision of legal reserve	-	-	71,521	-	(71,521)	-	-	-	-
Cash dividends	-	-	-	-	(526,971)	(526,971)	-	-	(526,971)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	31,920	-	-	-	-	-	-	31,920
Changes in equity of affiliate accounted for using equity method	-	11,813	-	-	-	-	-	-	11,813
Balance at December 31, 2024	2,634,854	2,252,984	1,201,264	531,125	2,018,683	3,751,072	(244,678)	(599,878)	7,794,354
Net income	-	-	-	-	509,576	509,576	-	-	509,576
Other comprehensive income	-	-	-	-	1,107	1,107	(30,956)	-	(29,849)
Total comprehensive income	-	-	-	-	510,683	510,683	(30,956)	-	479,727
Purchase of treasury shares	-	-	-	-	-	-	-	(141,417)	(141,417)
Appropriation and distribution of retained earnings:									
Provision of legal reserve	-	-	46,118	-	(46,118)	-	-	-	-
Reversal of special reserve	-	-	-	(228,976)	228,976	-	-	-	-
Cash dividends	-	-	-	-	(526,971)	(526,971)	-	-	(526,971)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	32,288	-	-	-	-	-	-	32,288
Share-based payment awards	-	7,155	-	-	-	-	-	-	7,155
Changes in equity of affiliate accounted for using equity method	-	(2,297)	-	-	-	-	-	-	(2,297)
Balance at December 31, 2025	$ 2,634,854	2,290,130	1,247,382	302,149	2,185,253	3,734,784	(275,634)	(741,295)	7,642,839

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAIWAN SEMICONDUCTOR CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		2025	2024
Cash flows from (used in) operating activities:			
Profit before tax	$	522,430	532,203
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		399,318	371,455
Amortization expense		15,297	35,853
Expected credit losses		771	151
Gain on financial assets or liabilities at fair value through profit or loss		(38,198)	(9,430)
Interest expense		27,991	23,247
Interest income		(5,154)	(5,476)
Share of profit of subsidiaries accounted for using equity method		(602,436)	(419,887)
Gain on disposal of property, plan and equipment		(3,524)	(746)
Others		(15,853)	354
Total adjustments to reconcile profit (loss)		(221,788)	(4,479)
Changes in operating assets and liabilities:			
(Increase) decrease in financial assets at fair value through profit or loss		(40,691)	1,636
Decrease in notes receivable		12	270
Increase in accounts receivable		(74,170)	(55,164)
(Increase) decrease in accounts receivable due from related parties		2,466	(84,143)
(Increase) decrease in other receivable		(4,984)	1,064
Decrease in inventories		174,529	140,556
Increase in other current assets		(8,084)	(41,699)
Increase (decrease) in accounts payable		32,158	(12,247)
Increase in accounts payable to related parties		390,865	19,857
Increase in other payable		180	605
Increase (decrease) in other payable to related parties		(23,671)	8,367
Increase (decrease) in other current liabilities		(28,256)	5,545
Decrease in net defined benefit liability		(283)	(15,563)
Total adjustments		198,283	(35,395)
Cash inflow generated from operations		720,713	496,808
Interest received		5,172	5,478
Dividends received		267,277	560,165
Income taxes paid		(33,171)	(117,273)
Net cash flows from operating activities		930,718	919,564
Cash flows from (used in) investing activities:			
Acquisition of financial assets at fair value through profit or loss		(38,104)	(34,145)
Acquisition of property, plant and equipment		(83,429)	(115,047)
Proceeds from disposal of property, plant and equipment		1,680	1,101
Acquisition of intangible assets		(789)	(9,092)
Decrease in other non-current assets		26,121	66,361
Increase in prepayments for equipment		(94,922)	(252,819)
Net cash flows used in investing activities		(189,443)	(343,641)
Cash flows from (used in) financing activities:			
Decrease in short-term loans		(36,475)	(504,935)
Proceeds from long-term borrowings		191,400	522,550
Repayments of long-term borrowings		(120,342)	(298,583)
Payment of lease liabilities		(971)	(971)
Cash dividends paid		(526,971)	(526,971)
Repurchase of treasury shares		(141,417)	-
Net cash flows used in financing activities		(634,776)	(808,910)
Net Increase in cash and cash equivalents		106,499	(232,987)
Cash and cash equivalents at the beginning of period		562,610	795,597
Cash and cash equivalents at the end of period	$	669,109	562,610

See accompanying notes to parent company only financial statements.

Representation Letter

The entities that are required to be included in the consolidated financial statements of TAIWAN SEMICONDUCTOR CO., LTD. as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 "Consolidated Financial Statements". In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, TAIWAN SEMICONDUCTOR CO., LTD. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Company name: TAIWAN SEMICONDUCTOR CO., LTD.
Chairman: Wang Shiu-Ting
Date: March 13, 2026.

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Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of TAIWAN SEMICONDUCTOR CO., LTD. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2025 and 2024, the consolidated statement of comprehensive income, consolidated changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of the other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Matter

We did not audit the financial statements of certain subsidiaries of TSC Auto ID Technology Co., Ltd. (TSC Auto ID) included in the Group's consolidated financial statements as of December 31, 2025. Those financial statements were audited by other auditors. Accordingly, the amounts reported in the financial statements of those TSC Auto ID subsidiaries included in the aforementioned consolidated financial statements were based on the audit reports of other auditors. As of December 31, 2025, the total assets of these subsidiaries accounted for 10.70% of the Group's total assets, and their net operating revenue for the year ended December 31, 2025, accounted for 20.81% of the Group's total net operating revenue.

We did not audit the financial statements of TSC Auto ID as of December 31, 2024, among the subsidiaries included in the Group's consolidated financial statements; those statements were audited by other auditors. Therefore, in our opinion on the aforementioned consolidated financial statements, the amounts reported in TSC

Auto ID’s financial statements are based on the audit report of other auditors. As of December 31, 2024, TSC Auto ID’s total assets accounted for 55.02% of the Group’s total assets, and its net operating revenue for the year ended December 31, 2024, accounted for 59.33% of the Group’s total net operating revenue.

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2025 and 2024, on which we have issued an unqualified opinion with Other Matters paragraph.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

   Please refer to note 4(n) "Revenue recognition" to the consolidated financial statements for accounting policy of revenue recognition; and note 6(r) "Revenue from contracts with customers" for details on the related explanation .

   Description of the key audit matter

   The main business items of the Group are the manufacture and sale of rectifiers, and the manufacture and service of automatic identification system products. Revenue recognition is one of the key assessment matters in our audit. Revenue is the key indicator to evaluate the performance by investors and management. Therefore, revenue recognition is one of our key audit matters.

   How the matter was addressed in our audit:

   Our key audit procedures included: (i) testing the relevant control over the sales and collection cycle to determine the reliability of revenue records. (ii) checking and adjusting the data of sales system and general ledger entries, evaluating whether the conditions of sale are consistent with the recognition of accounting policies. (iii) conducting trend analysis on the top ten sales customers to assess whether there are any major anomalies. (iv) Examining selected shipments for a period before and after the balance sheet date of the Group, and check relevant vouchers and forms to determine whether the sales revenue is included in the appropriate period of the financial statements.

2. The assessment of impairment loss of goodwill

   Please refer to note 4(l) "Impairment of non-financial assets" of the consolidated financial statements for details on the accounting policy related to impairment loss of goodwill; note 5(c) "The assessment of impairment loss of goodwill" of the accounting estimates and estimation uncertainty of the assessment of impairment loss of goodwill; and note 6(i) "Goodwill" for details on the related explanation.

   Description of key audit matter

   When the Groups Bar Code Printers department obtained the business combinations and its control, and recognized a goodwill in the consolidated financial report, the amount is regarded as material. Besides, evaluating whether goodwill is impaired depends on the estimation of the future cash flow of the cashgenerating unit to determine the recoverable amount. The estimation of the future cash flow involves industrial environment and the forecast of the future operating results. Once the indicators of the forecast change, the recoverable amount will change as well and may cause an impairment loss.

How the matter was addressed in our audit:

Our key audit procedures included (i) obtaining the report of the assessment of impairment loss of goodwill provided by the evaluation expert commissioned by the management of TSC Auto ID, and the goodwill impairment test assessment performed by the management.(ii) understanding and assessing the reasonableness of the recoverable amount based on the evaluation model. (iii) comprehensively assessing the reasonableness of the assessment of impairment loss of goodwill based on the assumption used in the evaluation model, including the sales growth rate, profit margin, weighted average cost of capital (WACC, which includes the risk-free rate and the risk premium), and considering TSC Auto ID's operational status, industry conditions, and future outlook to comprehensively assess the reasonableness of the report of the assessment of impairment loss of goodwill.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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 IFRSs, IASs, interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the December 31, 2025 and 2024 Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

Taipei, Taiwan (Republic of China)
March 13, 2026

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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit 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' audit 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

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 3,535,194	16	3,524,621	16
1110	Current financial assets at fair value through profit or loss (note 6(b))	60,444	-	20,132	-
1150	Notes receivable, net (note 6(c) and (r))	69	-	12	-
1170	Accounts receivable, net (note 6(c) and (r))	3,314,903	16	3,365,399	16
1200	Other receivables	113,308	1	92,526	-
1220	Current tax assets	4,903	-	92,323	-
130X	Inventories (note 6(d))	3,815,967	18	3,878,007	18
1410	Prepayments	348,898	1	336,591	2
1470	Other current assets	9,708	-	21,671	-
1476	Other current financial assets (note 6(b))	539,520	3	401,899	2
		11,742,914	55	11,733,181	54
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	125,237	1	66,152	-
1600	Property, plant and equipment (note 6(f))	4,270,061	20	4,414,437	21
1755	Right-of-use assets (note 6(g))	686,313	3	701,081	4
1805	Goodwill (note 6(i))	1,988,321	9	2,029,444	10
1822	Intangible assets (note 6(h))	1,017,928	5	1,148,483	5
1840	Deferred tax assets (note 6(o))	822,051	4	729,049	3
1980	Other non-current financial assets (note 6(b))	133,764	1	281,206	1
1990	Other non-current assets (note 6(n))	408,686	2	437,009	2
		9,452,361	45	9,806,861	46
	Total assets	$ 21,195,275	100	21,540,042	100

	Liabilities and Equity	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note 6(j))	$ 1,540,103	7	2,286,701	11
2120	Current financial liabilities at fair value through profit or loss (note 6(b))	67,595	-	70,121	-
2170	Accounts payable	1,656,680	8	1,374,344	6
2200	Other payables (note 6(l))	892,386	4	939,090	4
2230	Current tax liabilities	159,000	1	262,800	1
2280	Lease liabilities, current (note 6(m))	148,063	1	134,573	1
2322	Long-term borrowings, current portion (note 6(k))	396,973	2	314,125	1
2399	Other current liabilities	351,281	1	366,583	2
		5,212,081	24	5,748,337	26
	Non-Current liabilities:				
2500	Non-current financial liabilities at fair value through profit or loss (note 6(b))	-	-	26,784	-
2540	Long-term borrowings (note 6(k))	3,123,138	15	2,980,445	14
2570	Deferred tax liabilities (note 6(o))	1,224,622	6	1,188,571	6
2580	Lease liabilities, non-current (note 6(m))	562,059	2	568,029	3
2640	Net defined benefit liabilities, non-current (note 6(n))	20,917	-	21,033	-
2670	Other non-current liabilities	70,134	-	62,216	-
		5,000,870	23	4,847,078	23
	Total liabilities	10,212,951	47	10,595,415	49
	Stockholder' equity attributable to parent: (note 6(p))				
3110	Common stock	2,634,854	12	2,634,854	12
3200	Capital surplus	2,290,130	11	2,252,984	11
3300	Retained earnings	3,734,784	18	3,751,072	17
3400	Other stockholders' equity	(275,634)	(1)	(244,678)	(1)
3500	Treasury shares	(741,295)	(3)	(599,878)	(3)
	Total equity attributable to owners of parent	7,642,839	37	7,794,354	36
36XX	Non-controlling interests (note 6(e))	3,339,485	16	3,150,273	15
	Total equity	10,982,324	53	10,944,627	51
	Total liabilities and equity	$ 21,195,275	100	21,540,042	100

See accompanying notes to financial statements.

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

TAIWAN SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	%	Amount	%
4110	Total sales revenue (note 6(r))	$ 18,585,489	104	15,353,489	104
4190	Less: Sales discounts and allowances	631,230	4	524,697	4
	Net operating revenues	17,954,259	100	14,828,792	100
5000	Cost of goods sold (note 6(d))	12,664,153	71	10,594,202	71
	Gross profit	5,290,106	29	4,234,590	29
6000	**Operating expenses** (notes 6(n) and (t)):				
6100	Selling expenses	2,029,921	11	1,605,261	11
6200	Administrative expenses	957,262	5	884,260	6
6300	Research and development expenses	815,020	4	496,684	3
6450	Expected credit losses (gains on reversal) (note 6(c))	19,767	-	(8,830)	-
		3,821,970	20	2,977,375	20
	Operating income	1,468,136	9	1,257,215	9
	Non-operating income and expenses (note 6(s)):				
7100	Interest income	45,800	-	41,582	-
7010	Other income	37,701	-	47,322	-
7020	Other gains and losses	57,204	-	100,760	1
7050	Finance costs	(175,702)	(1)	(118,520)	(1)
		(34,997)	(1)	71,144	-
	Profit before income tax	1,433,139	8	1,328,359	9
7950	**Less: Income tax expenses** (note 6(o))	320,577	2	433,446	3
	Profit	1,112,562	6	894,913	6
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**				
8311	Remeasurement of defined benefit plans (note 6(n))	(528)	-	(10,275)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		(528)	-	(10,275)	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(106,099)	(1)	232,964	2
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(o))	19,418	-	(17,219)	-
		(86,681)	(1)	215,745	2
8300	**Other comprehensive income (after tax)**	(87,209)	(1)	205,470	2
	Total comprehensive income	$ 1,025,353	5	1,100,383	8
	Net income attributable to:				
	Owners of the parent	$ 509,576	3	463,851	3
	Non-controlling interests (note 6(e))	602,986	3	431,062	3
		$ 1,112,562	6	894,913	6
	Total comprehensive income attributable to:				
	Owners of the parent	$ 479,727	2	636,032	5
	Non-controlling interests (note 6(e))	545,626	3	464,351	3
		$ 1,025,353	5	1,100,383	8
	Basic earnings per common share (NT dollars) (note 6(u))	$	2.07		1.87
	Diluted earnings per common share (NT dollars) (note 6(u))	$	2.07		1.87

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

TAIWAN SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
			Retained earnings								
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
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	-	-	-	-	463,851	463,851	-	-	463,851	431,062	894,913
Other comprehensive income	-	-	-	-	(2,671)	(2,671)	174,852	-	172,181	33,289	205,470
Total comprehensive income	-	-	-	-	461,180	461,180	174,852	-	636,032	464,351	1,100,383
Subsidiaries purchase of treasury shares	-	-	-	-	-	-	-	(93,835)	(93,835)	-	(93,835)
Appropriation and distribution of retained earnings:											
Provision of legal reserve	-	-	71,521	-	(71,521)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(526,971)	(526,971)	-	-	(526,971)	-	(526,971)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	31,920	-	-	-	-	-	-	31,920	-	31,920
Changes in equity of affiliate accounted for using equity method	-	11,813	-	-	-	-	-	-	11,813	-	11,813
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(278,151)	(278,151)
Balance at December 31, 2024	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	-	-	-	-	509,576	509,576	-	-	509,576	602,986	1,112,562
Other comprehensive income	-	-	-	-	1,107	1,107	(30,956)	-	(29,849)	(57,360)	(87,209)
Total comprehensive income	-	-	-	-	510,683	510,683	(30,956)	-	479,727	545,626	1,025,353
Purchase of treasury shares	-	-	-	-	-	-	-	(141,417)	(141,417)	-	(141,417)
Appropriation and distribution of retained earnings:											
Provision of legal reserve	-	-	46,118	-	(46,118)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(228,976)	228,976	-	-	-	-	-	-
Cash dividends	-	-	-	-	(526,971)	(526,971)	-	-	(526,971)	-	(526,971)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	32,288	-	-	-	-	-	-	32,288	-	32,288
Share-based payment awards	-	7,155	-	-	-	-	-	-	7,155	-	7,155
Changes in equity of affiliate accounted for using equity method	-	(2,297)	-	-	-	-	-	-	(2,297)	-	(2,297)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(356,414)	(356,414)
Balance at December 31, 2025	**$ 2,634,854**	**2,290,130**	**1,247,382**	**302,149**	**2,185,253**	**3,734,784**	**(275,634)**	**(741,295)**	**7,642,839**	**3,339,485**	**10,982,324**

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 years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		2025	2024
Cash flows from (used in) operating activities:			
Profit before tax	$	1,433,139	1,328,359
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		901,568	901,862
Amortization expense		216,365	125,077
Expected credit losses (gains on reversal)		19,767	(8,830)
Net (gains) losses on financial assets or liabilities at fair value through profit or loss		(33,724)	18,315
Interest expense		133,361	116,975
Interest income		(45,800)	(41,582)
Losses on disposal of property, plant and equipment		22,162	6,444
Losses on disposal of intangible assets		-	20
Reversal of impairment gain on non-financial assets		(522)	(1,648)
Others		4,858	11,813
Total adjustments to reconcile profit (loss)		1,218,035	1,128,446
Changes in operating assets and liabilities:			
Increases and decreases in financial assets/liabilities at fair value through profit or loss		(66,160)	242
(Increase) decrease in notes receivable		(57)	295
(Increase) decrease in accounts receivable		30,729	(336,107)
(Increase) decrease in other receivables		(11,519)	11,045
Decrease in inventories		62,040	216,415
Increase in prepayments		(12,307)	(144,537)
Decrease in other current assets		11,963	10,654
Decrease in other financial assets		133,980	78,990
Increase (decrease) in accounts payable		282,336	(107,916)
Decrease in other payable		(46,884)	(56,445)
Decrease in other current liabilities		(20,299)	(27,372)
Decrease in net defined benefit liabilities		(116)	(22,756)

	2025	2024
Increase in other non-current liabilities	9,637	8,898
Total adjustments	1,591,378	759,852
Cash inflow generated from operations	3,024,517	2,088,211
Interest received	45,818	41,584
Interest paid	(98,504)	(87,332)
Income taxes paid	(393,908)	(417,197)
Net cash flows from operating activities	2,577,923	1,625,266
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	(38,104)	(34,145)
Acquisition of subsidiaries (net of cash acquired)	-	(2,370,265)
Acquisition of property, plant and equipment	(290,404)	(220,085)
Proceeds from disposal of property, plant and equipment	9,343	3,030
Acquisition of intangible assets	(83,883)	(33,425)
Increase in other financial assets	(124,159)	(234,210)
(Increase) decrease in other non-current assets	15,676	(21,606)
Increase in prepayments for equipment	(291,731)	(235,217)
Net cash flows used in investing activities	(803,262)	(3,145,923)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	(746,598)	665,306
Proceeds from long-term borrowings	1,453,023	2,754,753
Repayments of long-term borrowings	(1,228,448)	(607,482)
Repayments of lease principals	(150,557)	(96,646)
Decrease in guarantee deposits received	(638)	(1)
Cash dividends paid	(494,683)	(495,051)
Repurchase of treasury shares	(141,417)	(93,835)
Change in non-controlling interests	(356,414)	(278,151)
Net cash flows used in financing activities	(1,665,732)	1,848,893
Effect of exchange rate changes on cash and cash equivalents	(98,356)	(187,062)
Net Increase in cash and cash equivalents	10,573	141,174
Cash and cash equivalents at the beginning of period	3,524,621	3,383,447
Cash and cash equivalents at the end of period	**$ 3,535,194**	**3,524,621**

Proposal 2 proposed by the Board

Proposal: To approve the Company's 2025 Earnings Distribution.

Explanation:

(1) In order to improve the capital structure and avoid dilution of earnings, the Company proposes full cash dividend distribution.

(2) In the fiscal year 2025, the company's net profit after tax was NT$ 509,576,774 after adding the remeasurement amount of the defined benefit plan of NT$ 1,106,866 and allocating NT$ 51,068,364 to legal reserve. Additionally, considering the retained earnings from the previous period of NT$ 1,674,569,359, the distributable earnings for the current period are NT$ 2,134,184,635. The proposed shareholder dividend is NT$ 526,970,972 to be distributed entirely in cash. This proposal awaits approval at the ordinary shareholder meeting, after which the dates for the cash dividend record and payment will be set. According to the record of shareholders on the cash dividend record date, each share will receive a dividend of NT$ 2.0, rounded down to the nearest cent, with any remaining fractions accumulated into the company's other income.

In case there are fluctuations in the company's outstanding shares resulting in changes to the shareholder's dividend rate, the Board of Directors will seek authorization from the shareholders to handle it accordingly.

(3) Please refer to Earnings Distribution Table on page 40 of this Meeting Agenda.

Resolution:

TAIWAN SEMICONDUCTOR CO., LTD.

Fiscal Year 2025

Earnings Distribution Table

Unit: NTD

Items	Subtotal	Total
Beginning retained earnings (Beginning Balance)	1,674,569,359	
Add: 2025 Net profit after tax	509,576,774	
Add: Remeasurements of defined benefit plan	1,106,866	
Less: 10% legal reserve	51,068,364	
Distributable earnings		**2,134,184,635**
Less：Distributable items		
(1) Dividend to shareholders (NTD 2.0 per share)		
(NTD 2.0 per share of cash dividend) ----(Note)	526,970,972	526,970,972
Unappropriated retained earnings (Ending Balance)		**1,607,213,663**

Note:

1) If there is an increase or decrease in the total number of outstanding shares of the Company, which results in a change in the shareholders' payout ratio, it is proposed to request the shareholders' meeting to authorize the Board of Directors to deal with the matter in its sole discretion.
2) Total Stock dividend of the director for the current period NTD 526,970,972
3) 2025 net profit after tax after distribution NTD 0 Hasn't been distributed.

Discussion Items (None)

Extraordinary Motions

Adjournment

Appendix

(Appendix 1)

TAIWAN SEMICONDUCTOR CO., LTD. Articles of Incorporation

Section I - General Provisions

Article 1: The Company shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its name shall Taiwan Semiconductor CO., LTD.

Article 2: The scope of business of the Company shall be as follows:
1、CC01080 Electronic Parts and Components Manufacturing
2、CB01020 Affairs Machine Manufacturing
3、CC01110 Computer and Peripheral Equipment Manufacturing
4、F401010 International Trade
5、I103060 Management Consulting
6、F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
7、CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
8、ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The Company may provide mutual guarantees with companies in the same industry for its business needs.

Article 2-2: The Company may, by resolution of the board of directors, invest in other entities, and is not subject to Article 13 of the Company Act that the total amount of investment shall not exceed 40% of the company's paid in capital.

Article 3: The Company set up its headquarters in New Taipei City. If necessary, it may set up branch offices domestically or abroad with a resolution by the board of directors.

Article 4: (Deleted).

Section II - Shares

Article 5: The total capital of the company is set at New Taiwan Dollars ninety billion, divided into nine billion shares, with a par value of New Taiwan Dollars ten per share, authorized for issuance by the Board of Directors in installments. Within the total capital mentioned above, one billion New Taiwan Dollars is reserved, divided into ten million shares, with a par value of New Taiwan Dollars ten per share, designated for the issuance of employee stock subscription warrants by the Company, authorized for issuance by the Board of Directors in installments. The remaining unissued shares may be issued in installments by the Board of Directors in accordance with the law.

Article 6: If the company issued new shares, it shall reserve 10 to 15 percent of the total number of shares issued for employee subscription, which could be subscripted by employees of the company (or its parents or subsidiaries) who qualified certain requirements. If the company repurchased treasury share, it could be transferred to the employees of the company (or its parents or subsidiaries) who qualified certain requirements. If the company issued share subscription warrant, it could be participated by employees of the company (or its parents or subsidiaries) who qualified certain requirements. If the company issued restricted stock, it could be participated by employees of the company (or its parents or subsidiaries) who are qualified certain requirements. The term "employees of parent or subsidiary company who are qualified certain requirements" as used in this article, the Board of Directors is authorized to make separate provisions in accordance with the Company Act.

Article 7: The share certificates of the Company shall all be registered share certificates, affixed with the signature or seal of representative directors and assigned with serial numbers, and may be issued only after having been duly certified or authenticated by the competent authority or by a registrar authorized by the competent authority. Share certificates issued by the Company are not required to be printed. The Company, however, shall register the issued shares with a centralized securities depositary enterprise.

Article 8: Registration for transfer of shares shall be suspended sixty days immediately before the date of regular meeting of shareholders, and thirty days immediately before the date of any special meeting of shareholders, or within five days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Article 9: The Company's stock matters shall be governed by the relevant regulations of the competent authority.

Section III - Shareholders' Meeting

Article 10: Shareholders' meeting can be divided into regular meetings and special meetings. Regular meetings are convened once a year and usually within six months of the end of each fiscal year. Special meetings may be convened according to the law when necessary.
The meeting notice may be made by electronic means with the consent of the counterpart shareholder. Notwithstanding the foregoing, a public notice may be made in lieu of separate notice in the case of shareholders with less than 1,000 registered shares.

Article 10-1: The shareholders meeting may be held in virtual or other ways announced by the Ministry of Economic Affairs.

Article 11: If a shareholder cannot attend a Shareholders Meeting for any reason, it may designate another person to represent it by submitting a proxy that is printed by the Company, specifying the scope of authorization.

Article 12: A shareholder of the Company shall be entitled to one vote for each share held, except in the circumstances article 179 of the Company Act. Unless otherwise stated in the Company Act, any resolution made by the Shareholders Meeting shall be made during a Shareholders Meeting attended by more than half of all shares and passed by the majority of voting rights in attendance.

Article 13: Resolutions adopted at a shareholders' meeting shall be recorded in meeting minutes signed by or affixed with the seal of the chairman of the meeting, and the meeting minutes shall be distributed to each shareholders within twenty days after the meeting. The meeting minutes under the preceding paragraph shall be made and distributed in accordance with the Company Act.

Section IV - Directors and Supervisors

Article 14: The Company shall have five to seven directors. The term of directors shall be three years. Directors are elected from the list of candidates and may be eligible for re-election.
In the aforementioned quota of directors of the Company, the number of independent directors shall be 3 (or more), which are elected from the list of candidates of independent directors in the shareholders' meeting under the candidate nomination system. In accordance with the relevant regulations of the competent authority, the professional qualifications, shareholding, prohibition on positions held at other companies, nomination and selection process and other matters of the Company's Independent Directors, are processed under relevant legal regulations.
The Elections for independent Directors and non-independent Directors shall be held concurrently but the respective voting rights shall be separately calculated to determine the elected independent Directors and non-independent Directors.
The minimum total number of registered stock of shares held by all Directors shall be subject to the requirements of relevant regulations.

Article 15: The board of the directors is formed by the directors. The chairperson, who is to represent the Company externally, is elected by a majority voting of the directors present at a meeting of its board of directors attended by two-thirds or more of the directors of the Company.

Article 15-1: To convene a meeting of the Board of Directors, a notice of the meeting shall state the reasons of the meeting and shall be given to each Director by 7 days before the meeting, provided that a meeting may be convened at any time in case of emergency.
The notice of a meeting under the preceding paragraph shall be clearly stated in the written notices, e-mail, or facsimile. The directors who participate in the video conference shall be deemed to have attended the meeting in person.

Article 16: In case the Chairperson of the board of directors is on leave or absent or cannot exercise his power and authority for any cause, his representative shall be selected according to Article 208 of the Company Act.

Article 16-1: Unless otherwise provided by law or regulation, a resolution of the Board of Directors shall be made with the approval of a majority of the Directors present at a meeting at which a majority of the Directors is present. If a director is unable to attend a board meeting for causes, he may issue a proxy to appoint another director to represent him at the meeting. The proceedings of a meeting of the Board of Directors shall be recorded in the meeting minutes. A director may accept only one appointment per meeting.

Article 16-2: The authority of the Board of Directors shall be governed by the Company Act and the relevant regulations.

Article 16-3: The Company shall establish an Audit Committee, which shall consist of all independent directors. The number of members, terms of office, authority, rules of procedure, and the resources to be provided by the Company when exercising its duties shall be separately regulated by the organizational rules of the audit committee.
The Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Law, the Securities and Exchange Law and other relevant regulations, except for the matters of duties prescribed by Article 14-4, paragraph 4, of the Securities and Exchange Act.

The provisions of Article 14-4, paragraph 4, of the Securities and Exchange Act concerning provisions of the Company Act concerning acts done by supervisors, and the role of supervisors as representatives of the company, shall apply mutatis mutandis to the independent director members on the audit committee.

Article 17: Directors of the Company shall be entitled to remuneration for their duties based on the level of involvement and value of contribution of each Director and by reference to the usual level of such pay in the industry, no matter whether the Company is in a loss or not.

Article 17-1: In order to establish a directors' liability insurance system and to reduce the risks from the execution of duties by directors, the Company may purchase liability insurance for directors after each director is elected with respect to the liabilities resulting from exercising their duties during their term of office.

Section V - Manager

Article 18: The Company may have managers and their appointment, dismissal and remuneration shall be conducted in accordance with Article 29 of the Company Act.

Section VI - Accounting

Article 19: The fiscal year of the Company shall begin on January 1 of each year and end on December 31 of the same year. After the end of each fiscal year, the Board of Directors shall prepare the following documents and submit them to a regular shareholders' meeting for recognition:

1. A business report
2. Financial statements.
3. A proposal for the distribution of profits or offsetting of losses.

Article 20: In the case of a profitable fiscal year, the Company shall allocate not less than 4% but not more than 10% to employee compensation, and not more than 1 percent as profit-sharing compensation to Directors. No less than 1% from the aforementioned employee compensation shall be allocated for compensation distributions for the non-executive employees.

If the Company still has any accumulated loss, it shall first set aside the amount to offset the loss and then allocate. When employee compensation is paid in stock or cash, the recipients include employees of the parent or subsidiary company who are qualified certain requirements. The term "employees of parent or subsidiary company who are qualified certain requirements" as used in this article, authorize the board of Directors to make separate provisions in accordance with the company law.

The above Director compensation shall only be distributed as stock or cash. The distribution of employee and Director’s compensation shall be submitted to the shareholders' meeting for resolution and report to the shareholders' meeting.

Article 20-1: In the case of a profitable fiscal year, the Company shall deduct the payment of all taxes required by law, the allocation of the 10 percent legal reserve (no such allocation is necessary if the legal reserve is maintained at the level of the paid-in capital of the Company), and the provision or reversal for the special reserve pursuant to law or regulation, and submit a proposal to a shareholders' meeting for resolution on the distribution of dividends to shareholders.

Article 20-2: When forming its dividend policy, the Corporation considers various factors such as its plans relating to current and future development, the overall investment environment, its financial needs, competition in the domestic and foreign markets, as well as the interest of shareholders. The earnings distribution proposal shall be prepared by the Board of Directors and be approved at a shareholders' meeting. If the Company plans to make distributions, the percentage of earnings to be distributed shall be no less than 10% of the distributable earnings for the year. Dividends shall be distributed in cash or stock, of which no less than 10% of the total dividends shall be distributed in cash, and no less than 10% of the total stock dividends shall be distributed in cash. However, if the cash dividend is less than $0.2 per share, it will not be paid and will be paid as stock dividend instead.

Section VII - Supplementary Provisions

Article 21: In regard to all matters not provided for in these Articles of Incorporation, the Company Act shall govern.

Article 22: The Articles were enacted on December 15, 1978.
The first amendment was made on January 18, 1979.
The second amendment was made on August 1, 1979.
The third amendment was made on July 5, 1980.
The fourth amendment was made on August 14, 1980.
The fifth amendment was made on June 23, 1982.
The sixth amendment was made on August 19, 1982.
The seventh amendment was made on June 17, 1983.
The eighth amendment was made on August 1, 1984.
The ninth amendment was made on June 23, 1986.
The tenth amendment was made on April 24, 1987.
The eleventh amendment was made on October 29, 1987.
The twelfth amendment was made on June 30, 1988.
The thirteenth amendment was made on August 10, 1989.
The fourteenth amendment was made on October 2, 1989.
The fifteenth amendment was made on March 4, 1990.
The sixteenth amendment was made on April 15, 1990.
The seventeenth amendment was made on June 30, 1990.
The eighteenth amendment was made on April 27, 1991.
The nineteenth amendment was made on August 20, 1991.
The twentieth amendment was made on June 30, 1992.
The twenty-first amendment was made on August 6, 1992.
The twenty-second amendment was made on December 23, 1994.
The twenty-third amendment was made on May 20,1995.
The twenty-fourth amendment was made on June 22, 1996.
The twenty-fifth amendment was made on June 28, 1997.
The twenty-sixth amendment was made on June 19, 1998.
The twenty-seventh amendment was made on September 28, 1998.
The twenty-eighth amendment was made on May 22, 2000.
The twenty-ninth amendment was made on May 28, 2001.
The thirtieth amendment was made on June 24, 2002.

The thirty-first amendment was made on June 23, 2003.
The thirty-second amendment was made on June 15, 2004.
The thirty-third amendment was made on June 14, 2005.
The thirty-fourth amendment was made on June 14, 2006.
The thirty-fifth amendment was made on June 13, 2007.
The thirty-sixth amendment was made on June 13, 2008.
The thirty-seventh amendment was made on June 19, 2009.
The thirty-eighth amendment was made on June 15, 2010.
The thirty-ninth amendment was made on June 27, 2012.
The fortieth amendment was made on June 19, 2013.
The forty-first amendment was made on June 13, 2016.
The forty-second amendment was made on June 14, 2019.
The forty-third amendment was made on June 16, 2020.
The forty-fourth amendment was made on June 21, 2022.
The forty-fifth amendment was made on June 19, 2023.
The forty-sixth amendment was made on June 19, 2025.

(Appendix 2)

TAIWAN SEMICONDUCTOR CO., LTD.
Convention Rules for Shareholders' Meetings

	Implementation Date: 22 June, 1996 First amendment and implementation date：June 19, 1998 Second amendment and implementation date：June 24, 2002 Third amendment and implementation date：June 15, 2004 Fourth amendment and implementation date：June 13, 2008 Fifth amendment and implementation date：June 13, 2016 Sixth amendment and implementation date：June 16, 2020 Seventh amendment and implementation date：July 26, 2021 Eighth amendment and implementation date：June 21, 2022 Ninth amendment and implementation date：June 19, 2024
1	The rules of procedures for the Company's Shareholders' Meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules. Changes to how this Corporation convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice. This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, this Corporation has the paid-in capital of NT$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby. This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting: 1. For physical shareholders meetings, to be distributed on-site at the meeting. 2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform. 3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.
2	This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person. Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. A sign-in book shall be provided at the shareholders' meeting for the attending shareholders to sign in, or the attending shareholder shall surrender the attendance sign-in card in place of signing the sign-in book. In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date. In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting. The number of shares in attendance and voting rights shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

2-1	To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice: 1. How shareholders attend the virtual meeting and exercise their rights. 2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars: A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume. B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session. C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting. D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out. 3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending the video shareholders meeting online shall be specified.
3	Attendance and voting at Shareholders' Meetings shall be calculated based on numbers of shares. With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.
4	Shareholders' meetings shall be held at the location of the Company or factory or otherwise at a place convenient for the shareholders to attend and suitable for the holding of shareholders' meetings, and shall start at a time not earlier than 9 a.m. and not later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting. The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.
5	If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairperson of the Board of Directors. When the Chairperson by reason of leave or otherwise is unable to exercise the power of office, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. If a shareholders' meeting is convened by any person, other than the Board of Directors, entitled to convene such a meeting, the meeting shall be chaired by that person. If the meeting is convened by two or more such persons, they shall select one of their number to chair the meeting.
6	The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a Shareholders' Meeting. All staff members working at shareholders' meetings shall wear identification cards or arm badges.
7	The Company shall make an uninterrupted audio and video recording of the proceedings of the Shareholders' Meeting. The recorded audio and video materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the aforementioned materials shall be retained until the conclusion of the litigation. The holding of the shareholders meeting of the Company may involve trade secret reports, unless otherwise stipulated by laws and regulations, video and audio recordings are required. It is forbidden for anyone, including shareholders, to video, audio record, or take pictures of the shareholder meeting place and the contents of the meeting. Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.
8	The chair shall call the meeting to order at the appointed meeting time and announce relevant information such as number of non-voting rights and of shares present at the same time.

	However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, the situation must be handled in accordance with Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 2. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolutions made previously for a vote by the Shareholders' Meeting in accordance with Article 174 of the Company Law.
9	If a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors; relevant agenda items (including extraordinary motions and amendments to original proposals) shall be voted on an item-by-item basis, The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the Shareholders' Meeting. The provisions of the preceding paragraph apply mutatis mutandis to a Shareholders' Meeting convened by a party with the power to convene that is not the Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda under the two preceding paragraphs (including extraordinary motions), except by a resolution of the Shareholders' Meeting. In the event that the chair dissolves the meeting in violation of the rules of meeting procedure, a new chair may be selected to continue the meeting with the approval of a majority of the voting rights of the shareholders present. After the meeting is adjourned, the shareholders may not designate another person as chair and continue the meeting in the original location or at a different location. The chair shall allow sufficient opportunity for the explanation and discussion of an agenda item or any amendment or extraordinary motion submitted by a shareholder, and when the chair thinks that any such item has been discussed sufficiently to put it to a vote, the chair may declare the discussion closed, put forward the voting, and arrange an adequate time for voting.
10	When an attending shareholder wishes to speak regarding a proposal up for discussion, he or she must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
11	Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the speech of any shareholder violates the above Article or exceeds the scope of the agenda item, the chair may terminate the speech. Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Article 10 and paragraphs 1 to 2 of this Article do not apply.
12	When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one of the representatives so appointed may speak on the same proposal.
13	After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
14	The chair shall announce the end of discussion on a proposed resolution and proceed with voting when he/she feels there has been sufficient discussion.
15	Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The result of the vote shall be announced immediately at the voting place and shall be recorded. When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting. In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately. When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

	When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.
16	When a meeting is in progress, the chair may announce a break at his or her discretion. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed. If the venue of a shareholder's meeting becomes unavailable for use before the conclusion of all agenda items (including extraordinary motions), the shareholders at the meeting may resolve to continue the meeting at another venue. A shareholders' meeting may, by a resolution made under Article 182 of the Company Act, be adjourned to or resumed on a date within the next five days.
17	Each shareholder is entitled to one vote for each share held, except for restricted shares or for non-voting shares under Article 179, paragraph 2 of the Company Act. When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail. Except as otherwise provided in the Company Act, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. In the resolution, after the Chairman or delegate thereof announces the total number of voting rights represented by shareholders in attendance for voting on each issue, shareholders will proceed with voting on a case-by-case basis. On the day after the shareholders' meeting, the results of shareholders' approval, disapproval and abstention will be entered into the MOPS.
18	When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
19	The chair shall direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."
20	When voting for the directors in the shareholders meeting, the process shall follow the relevant rules made by the company, and the chairman shall announce the voting result immediately, including the list of elected directors with the number of votes and the lost directors with the number of votes. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Taiwan Company Act, the ballots are retained until the litigation is concluded.
21	Matters relating to the resolutions of a Shareholders' Meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and shall be distributed to each shareholder within twenty days after the meeting. The meeting minutes may be made and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the procedures by which resolutions were adopted, and a summary of the deliberations and their results (including the number of voting rights) for director and supervisors elections, the number of votes for each candidate should be disclosed, and shall be retained for the duration of the existence of the Company. In the event of a virtual shareholders meeting, the meeting minutes shall be recorded in accordance with the provisions of the preceding paragraph and the meeting minutes shall also record the starting and ending time of the shareholders meeting, the method of holding the meeting, the name of the chair and the recorder, and the action and the situation to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events.

	When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.
22	On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting. During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.
23	In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned
24	When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.
25	In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply. For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session. For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session. During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors. When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting. When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.
26	When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending the video shareholders meeting online.
27	These Rules, and any amendments hereto, shall be implemented after adoption by Shareholders' Meetings.

(Appendix 3)

Shareholding of Directors

Roster of director

Date: April 19, 2026

Tittle	Identity Number	Name	Election Date	Number of shares held on election date			Number of shares held at present		
				Type	Shares	Percentage when public	Type	Shares	Percentage when public
Chairman	A00010	Wang, Shiu Ting	June 19, 2024	ordinary shares	12,383,340	4.70%	ordinary shares	12,749,512	4.84%
Director	D00060	TSC Auto ID Technology Co., Ltd. Representative: Wang Xing Lei	June 19, 2024	ordinary shares	15,960,000	6.06%	ordinary shares	15,960,000	6.06%
Director	D00080	Yan Guo Yin	June 19, 2024	ordinary shares	1,700,772	0.65%	ordinary shares	1,781,944	0.68%
Independent director	N00010	Jhan, Cian-Long	June 19, 2024	ordinary shares	0	0.00%	ordinary shares	0	0.00%
Independent Director	N00040	Ma, Shu-Zhuang	June 19, 2024	ordinary shares	0	0.00%	ordinary shares	0	0.00%
Independent Director	N00050	Chen, Shu-Ling	June 19, 2024	ordinary shares	0	0.00%	ordinary shares	0	0.00%
Independent Director	N00060	Wang, Nien-Chiu	June 19, 2024	ordinary shares	0	0.00%	ordinary shares	0	0.00%
Total				ordinary shares	30,044,112		ordinary shares	30,491,456	

Total shares issued on June 19, 2024: 263,485,486 shares
Total shares issued on April 19, 2026: 263,485,486 shares

Remark： All directors of the Company shall legally hold shares： 12,000,000 shares，hold as of April 19, 2026： 30,491,456 shares

The Company has established an Audit Committee； therefore, the Supervisors’ shareholdings requirement is not applicable.
◎Since more than half of the directors are independent directors appointed by the Company, and an audit committee has been established in accordance with the law, the requirement that all directors and supervisors hold a minimum percentage of shares does not apply.
◎ Shares held by independent directors are not included in the number of shares held by directors