

Research Update:

# Taiwan Semiconductor Manufacturing Co. Ltd. Ratings Affirmed At 'twAAA/twA-1+'; Outlook Stable

September 22, 2026

## Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twAAA' long-term and 'twA-1+' short-term issuer credit ratings on **Taiwan Semiconductor Manufacturing Co. Ltd.** (TSMC). The outlook on the long-term rating is stable.

The ratings on TSMC reflect our view that the company's entrenched leadership in advanced and specialty technologies, along with its increasingly diversified end-market applications, will support solid revenue growth and profitability over the next two years. We also believe TSMC's strengthening operating cash flow will support higher capital expenditure and will enable the company to maintain a very strong balance sheet with a persistent net cash position. This is underpinned by TSMC's more prudent shareholder return policy relative to rated global peers.

However, TSMC remains exposed to risks from rapid technology evolution and competition, along with asset concentration-related risk, which could heighten operational volatility if geopolitical tensions escalate. We believe the company's ongoing overseas expansion should gradually offset business risks associated with its asset concentration.

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## Related Criteria

- General Criteria: Country Risk Assessment Methodology And Assumptions - November 19, 2013
- Criteria | Corporates | General: Sector-Specific Corporate Methodology - July 07, 2025
- Criteria | Corporates | General: Corporate Methodology - January 07, 2024
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers - December 16, 2014
- General Criteria: Methodology: Industry Risk - November 19, 2013
- General Criteria: Guarantee Criteria - October 21, 2016
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- General Criteria: Group Rating Methodology - July 01, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings - March 28, 2018
- General Criteria: Principles Of Credit Ratings - February 16, 2011
- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities - January 07, 2024
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments - April 01, 2019

# Ratings List

## Ratings Affirmed

### Taiwan Semiconductor Manufacturing Co. Ltd.

|                      |                     |
|----------------------|---------------------|
| Issuer Credit Rating | twAAA/Stable/twA-1+ |
|----------------------|---------------------|

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