

EXPOSURE BRIEF · TSMC · ONE-PAGE SHEET · ARCHIVE EDITION

TSMC's geopolitical exposure sits on one island, not in its China sales

Mainly a Taiwan continuity exposure, not a China-demand one: Taiwan-only nodes earned **33** per cent of second-quarter **2026** wafer revenue, China-based customers **6** per cent, until leading-edge volume starts elsewhere.

77% 7nm and below, 2Q26

33%
Taiwan-only
3nm and 2nm

6%
China-based
customers

36%
Two largest
customers

77%

of 2Q26 wafer revenue came from 7nm and below (TSMC, 16 Jul 2026)

33%

came from 3nm and 2nm, made only in Taiwan fabs (20-F fab table, 28 Feb 2026)

6%

of 2Q26 net revenue came from China-based customers, 9% in 2025

36%

of 2025 net revenue came from TSMC's two largest customers, unnamed

THE ANSWER

TSMC's geopolitical exposure is mainly about continuity in Taiwan, where every fab producing 3nm or 2nm in volume sits on TSMC's own table (28 Feb 2026); those two nodes earned 33% of 2Q26 wafer revenue. China-based customers were 6% of revenue.

The overseas sites in Arizona, Kumamoto and Dresden add US market access and mature-node capacity first. The call changes when 3nm or 2nm volume production is reported outside Taiwan.

OPTIONS TO CONSIDER

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TAKEAWAYS

1. The largest exposure is where the newest nodes are made: every 3nm and 2nm volume fab on TSMC's own table is in Taiwan.
2. China-based customers are a small and falling share of revenue: 12% in 2023, 6% in the second quarter of 2026.
3. The overseas build-out adds US market access and mature-node capacity sooner than leading-edge capacity, at a margin cost TSMC itself guides.

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